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April, 1952

EDISON ELECTRIC INSTITUTE BULLETIN

GEOGRAPHY & INDUSTRY

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PUBLISHED MONTHLY BY EDISON ELECTRIC INSTITUTE

ELECTRICAL RESEARCH STATISTICS
THE ELECTRIC LIGHT AND POWER INDUSTRY

Current Statistical Data Covering 100 Per Cent of Industry

January, 1950-1951

SOURCE AND DISPOSAL OF ENERGY—MONTH OF JANUARY

	1952	1951	%
GENERATION* (Net)			
By Fuel Burning Plants	24,302,311,000	22,538,897,000	+ 7.8
By Water Power Plants	9,900,633,000	8,878,885,000	+11.5
Total Generation	**34,202,944,000**	**31,417,782,000**	**+ 8.9**
Add—Net Imports Over International Boundaries	154,553,000	117,867,000	+31.1
Less—Company Use	140,680,000	136,310,000	+ 3.2
Less—Energy Used by Producer	759,490,000	633,539,000	+19.9
Net Energy for Distribution	**33,457,327,000**	**30,765,800,000**	**+ 8.7**
Lost and Unaccounted for	4,240,144,000	3,993,037,000	+ 6.2
Sales to Ultimate Customers	**29,217,183,000**	**26,772,763,000**	**+ 9.1**

CLASSIFICATION OF SALES

NUMBER OF CUSTOMERS—As of January 31			
Residential or Domestic	39,311,292	37,643,323	+ 4.4
Rural (Distinct Rural Rates)	1,641,400	1,595,354	+ 2.9
Commercial or Industrial:			
Small Light and Power	5,526,750	5,443,591	+ 1.5
Large Light and Power	248,336	246,620	+ 0.7
Other Customers	162,337	157,204	+ 3.3
Total Ultimate Customers	**46,890,115**	**45,086,092**	**+ 4.0**
KILOWATTHOUR SALES—During Month of January			
Residential or Domestic	8,170,281,000	7,228,961,000	+13.0
Rural (Distinct Rural Rates)	502,798,000	472,692,000	+ 6.4
Commercial or Industrial:			
Small Light and Power	5,124,245,000	4,746,364,000	+ 8.0
Large Light and Power	13,796,739,000	12,722,669,000	+ 8.4
Street and Highway Lighting	348,476,000	317,993,000	+ 9.6
Other Public Authorities	717,282,000	665,539,000	+ 7.8
Railways and Railroads:			
Street and Interurban Railways	312,063,000	350,124,000	−10.9
Electrified Steam Railroads	210,494,000	224,226,000	− 6.1
Interdepartmental	34,805,000	44,195,000	−21.2
Total to Ultimate Customers	**29,217,183,000**	**26,772,763,000**	**+ 9.1**
Revenue from Ultimate Customers	**$522,258,300**	**$477,673,000**	**+ 9.3**

RESIDENTIAL OR DOMESTIC SERVICE

AVERAGE CUSTOMER DATA—For 12 months ended January 31			
Kilowatthours per Customer	2,021	1,848	+ 9.4
Average Annual Bill	$56.79	$53.04	+ 7.1
Revenue per Kilowatthour	2.81¢	2.87¢	− 2.1

* By Courtesy of the Federal Power Commission.

Vol. 20, No. 4, EDISON ELECTRIC INSTITUTE BULLETIN; published monthly. Entered as second-class matter Aug. 17, 1933, at the post office at Philadelphia 2, Pa., under the act of March 3, 1879. Publication office, 56th and Chestnut Sts., Philadelphia 39, Pa. Editorial office, 420 Lexington Ave., New York 17, N. Y. Subscription rate $2.00 per year in the United States; $3.00 per year in foreign countries.

The Edison Electric Institute does not assume responsibility for, nor necessarily endorse or approve, statements made by contributors to the BULLETIN.

EDISON ELECTRIC INSTITUTE BULLETIN

Volume 20 APRIL, 1952 No. 4

The Cleveland Convention Program

OUTSIDE Cleveland's Public Auditorium, where the four general sessions of the Institute's 20th Annual Convention will be held from June 2-4, the tree-lined Mall and the panorama of Lake Erie will offer a changed perspective to the Convention-goer whose vista has been largely bounded by office walls during the winter. And, similarly, inside the meeting hall, the delegate will have excellent opportunity to add new dimensions to his views of the electric industry and his own company concerns.

A fine group of speakers will be at Cleveland to provide expert illumination of varied portions of the electric industry scene, such as management and personnel problems, engineering advances, safety, water resources, and Federal efforts to dominate power supply.

The high caliber of the program is particularly fitting for a meeting symbolizing two decades of electric industry and Institute achievement, and reflects the hard work of the Convention Program Committee, composed of Chairman Paul B. McKee, President of Pacific Power & Light Co.; Elmer L. Lindseth, President of The Cleveland Electric Illuminating Co., the host company; and Alexander M. Beebee, President of Rochester Gas and Electric Corp.

GEORGE M. GADSBY
President of the Edison Electric Institute

Cleveland's citizens have a reputation for discussion in the town-meeting tradition—a characteristic which adds to the city's appropriateness as a setting for the Institute's Convention. Many of the most useful gains of the EEI meeting will come as electric industry people renew old acquaintances, make new friends, and discuss among themselves the applications and implications of the talks presented at the business sessions.

This year's Convention city also offers an impressive assortment of cultural and recreational attractions, commensurate with its position as seventh largest metropolis in the United States. (For a descriptive article on Cleveland, see last month's BULLETIN.)

The Cleveland Orchestra, one of the world's outstanding symphonic groups, will be featured on Tuesday in an evening of relaxation and enjoyment arranged for Convention delegates and guests through the courtesy of the Westinghouse Electric Corp. (See article on page 102.) Prior to the special program, which will be preceded by the presenta-

PAUL B. McKEE
Chairman, Convention Program Committee

ELMER L. LINDSETH
Member, Convention Program Committee

ALEXANDER M. BEEBEE
Member, Convention Program Committee

About the Speakers . . .

Lawrence A. Appley: President of the American Management Association, Mr. Appley is a graduate of Ohio Wesleyan University and holds Doctor of Laws' degrees from Ohio Wesleyan and Bethany College. After serving as instructor at Colgate, he joined Socony-Vacuum Oil Co., Inc., in 1930, rising to personnel vice president. He was also a director of Vick Chemical Co. and Montgomery Ward and Co. and during World War II was executive director of the War Manpower Commission.

J. H. Foote: Vice President and a Director of Commonwealth Services Inc., he is also President and Chief Engineer of the firm's subsidiary, Commonwealth Associates Inc. He has served on committees of EEI and its predecessor, NELA, since 1921 and is presently Chairman of the EEI Electrical Equipment Committee. In addition, he is actively engaged in work of ASA, ASTM, AIEE, Association of Edison Illuminating Companies, and American Society for Engineering Education.

Allan B. Kline: President of the American Farm Bureau Federation since 1947, Mr. Kline graduated from Morningside College and received his B.S. from Iowa State College. Starting farming in 1920, he still operates his own 560-acre farm. He served 17 years as a director of the Iowa Farm Bureau Federation, including seven as vice president and four as president. As a Farm Bureau delegate, he has participated in several European agricultural conferences.

Dr. Walter A. Cutter: Assistant Director and Assistant Professor of Industrial Safety, Center for Safety Education, New York University, Dr. Cutter is coordinator of Military Safety Training at NYU and is also Advisor on Accident Prevention to the Secretary of the Army. Active in the affairs of the American Society of Safety Engineers, he is a member of the National Safety Council, Greater New York Safety Council, and President's Conference on Industrial Safety.

Hon. Wallace F. Bennett: U. S. Senator from Utah, he graduated from the University of Utah in 1919 after service in World War I. Senator Bennett, a past president of NAM, is Chairman of the Board of Bennett's (paint and glass distribution company) and the Bennett Motor Co. He was elected to the Senate in 1950 and is a member of the Senate Post Office and Civil Service Committee and Committee on the District of Columbia and a former member of the Banking and Currency Committee.

Deane W. Malott: Sixth President of Cornell University, he graduated from University of Kansas in 1921 and took his Master's degree from Harvard Business School, remaining there as assistant dean until 1929, when he was named vice president of the Hawaiian Pineapple Co. He returned to Harvard in 1933 and was associate professor there when elected chancellor at Kansas. He is a director of General Mills, Inc.; B. F. Goodrich Co., Inc.; Pitney Bowes, Inc.; and Owens-Corning Fiberglass Corp.

F. E. Verdin: Director of Personnel of The Cleveland Electric Illuminating Co. and Chairman of the EEI Industrial Relations Committee, he graduated from Syracuse University in 1921 and taught engineering math there before engaging in sales engineering for eight years. For 12 years he was associated with companies of the Niagara Hudson System in personnel work and, in 1943, joined CEI, where he is in charge of labor relations, safety, training, and personnel administration.

Dr. Adam S. Bennion: Vice President of the Utah Power & Light Co. since 1945, he graduated from University of Utah, did graduate work at Chicago and Columbia Universities, and received his Ph.D. from University of California. He served as a high school principal, college professor, and commissioner of education before joining UP&L, where he was elected director of personnel in 1928, and assistant to the president in 1934. During the last 15 years, he has lectured extensively on business and education.

L. R. Gaty: Manager of the Engineering Department, Philadelphia Electric Co., he graduated from Cornell in 1924 and is a registered engineer in Pennsylvania, New Jersey, and Maryland. He is Chairman of AIEE Philadelphia Section and is AIEE representative on ASA Committee C-37, Chairman of EEI-AEIC-NEMA Joint Committee on Power Circuit Breakers, and a member of AIEE-EEI-NEMA Committee on Insulation Coordination and AEIC Committee on Electric Switching and Switchgear.

W. O. Turner: President of the Louisiana Power & Light Co. since 1939, he graduated from University of Arkansas in 1919 and served with several utilities before joining the Electric Bond and Share Co. in 1928. After supervising construction of a Louisiana Power & Light steam station, he remained with the operating company as chief engineer until 1936, when he was named vice president. He is a member of AGA, AIEE, Louisiana Enginering Society, and other utility associations.

George E. Whitwell: Vice President of the Philadelphia Electric Co., Chairman of the EEI Prize Awards, and one of the industry's outstanding sales executives, he served as a research engineer with Anaconda Copper, an instructor at University of Washington, and worked for various utilities before being named to his present position with Philadelphia Electric in 1931. He received the James H. McGraw Award in 1935 for origination of the national BLBS activity and is prominent in civic and utility groups.

Abel Wolman: A graduate of Johns Hopkins University with the degrees of B.A., B.S., and Honorary Doctor of Engineering, he is Professor of Sanitary Engineering at Johns Hopkins. Beginning his career with the U. S. Public Health Service in 1914, he was chief engineer of the Maryland State Department of Health from 1922 to 1939. He has edited various publications related to his field and has acted as sanitary engineering consultant to industrial, state and national organizations.

J. E. Corette: Vice President and Assistant General Manager of The Montana Power Co., Mr. Corette is a native of Butte, Mont., and was educated at Montana State University and the University of Virginia, where he received his LL.B. Before joining Montana Power in 1934, he practiced law in Missoula and Butte and is a member of the Montana Bar Association and American Bar Association. A past president of the Butte Rotary Club, he maintains an active interest in civic affairs.

Earle J. Machold: President of the Niagara Mohawk Power Corp., he received his LL.B. from the Syracuse University Law School and was associated with the law firm of Sullivan & Cromwell before joining LeBoeuf & Winston, of which he later became a partner. In 1942 he severed connection with the latter firm to assume presidency of Niagara Mohawk. Active in many civic groups, he is a Trustee of Syracuse University, State University of New York, and a member of the American Bar Association.

LAWRENCE A. APPLEY
President, American Management Association, Inc.

J. H. FOOTE
Vice President, Commonwealth Services Inc.

ALLAN B. KLINE
President, American Farm Bureau Federation

tion of the Charles A. Coffin Award, Convention-goers are invited to the Institute's buffet suppers, to be held in the Carter, Statler, and Hollenden Hotels, starting at different times to accommodate those wishing to dine at an early or later hour.

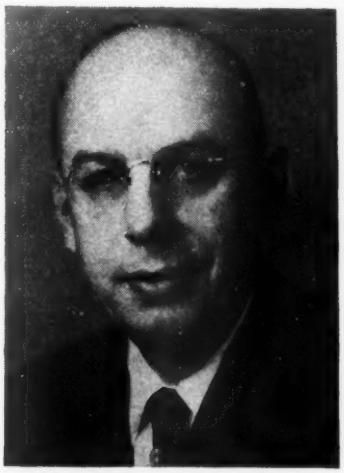
At noon on Tuesday, the ladies at the Convention will be feted by the Philco Corp. at a lunch in the Rainbow Room of the Carter Hotel. Entertainment especially for the feminine contingent will be offered.

The business of the Convention will be conducted at the four general sessions, the first being scheduled for Monday afternoon and the second for Tuesday morning in the Music Hall of the Auditorium. The third general session, on Tuesday afternoon, will be held in the Auditorium Ballroom; the fourth in the Music Hall, Wednesday morning.

George M. Gadsby, President of the Institute, will preside at all of the general sessions, and among the speakers he will introduce at the first and second general sessions will be Lawrence A. Appley, President of the American Management Association, Inc.; J. H. Foote, Vice President and Director of Commonwealth Services Inc. and Chairman of the EEI Electrical Equipment Committee; A. B. Kline, President of the American Farm Bureau Federation; and Dr. Walter A. Cutter, Assistant Professor and Assistant Director of the Safety Education Center, New York University.

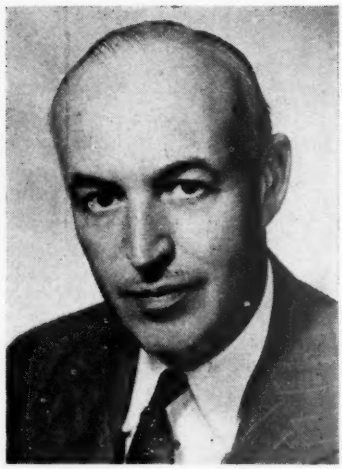
Included among the speakers to be heard at the third and fourth general sessions will be The Hon. Wallace F. Bennett, U. S. Senator from Utah; Deane W. Malott, President of Cornell University; Dr. Adam S. Bennion, Vice President of the Utah Power & Light Co.; L. R. Gaty, Engineering Department Manager of the Philadelphia Electric Co.; W. O. Turner, President of the Louisiana Power & Light Co.; F. E. Verdin, Director of Personnel for The Cleveland Electric Illuminating Co. and Chairman of the EEI Industrial Relations Committee; George E. Whitwell, Vice President in Charge of Sales for the Philadelphia Electric Co. and Chairman of the EEI Prize Awards Committee; Abel Wolman, Professor of Sanitary

DR. WALTER A. CUTTER
Assistant Director, Center for Safety Education, New York University



HON. WALLACE F. BENNETT
U. S. Senator from Utah

DEANE W. MALOTT
President, Cornell University



F. E. VERDIN
Director of Personnel, The Cleveland Electric Illuminating Co.

DR. ADAM S. BENNION
Vice President, Utah Power & Light Co.

L. R. GATY
Manager of the Engineering Department, Philadelphia Electric Co.

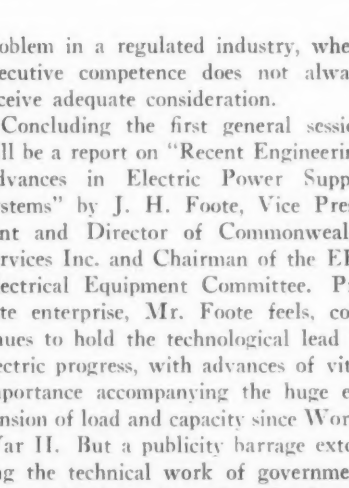
Engineering at Johns Hopkins University; J. E. Corette, Vice President and Assistant General Manager of The Montana Power Co.; and Earle J. Machold, President of the Niagara Mohawk Power Corp.

First General Session

Following the invocation and a welcome from The Hon. Frank Lausche, Governor of Ohio, and The Hon. Thomas Burke, Mayor of Cleveland, President Gadsby will deliver the opening Convention address on Monday afternoon, in which he will review briefly the tremendous achievements made by the industry during the current Institute year. He feels that the implications of proposals which have come from administration sources must be faced squarely, and he will examine some of the reactions to these proposals and the nationalized power plan. It is Mr. Gadsby's opinion that America's present peak of productive capacity is evidence that a free economy with a profit motive justifies faith in American business.

Lawrence A. Appley, President of the American Management Association, Inc., will speak on "Managing to Have Good Management." Knowing that a modern executive's job is becoming increasingly difficult and more complex, Mr. Appley feels that an individual industry or business today must pay constant and conscious attention to providing high-caliber management at all levels on a continuing basis. In his opinion, this is a particularly serious problem in a regulated industry, where executive competence does not always receive adequate consideration.

Concluding the first general session will be a report on "Recent Engineering Advances in Electric Power Supply Systems" by J. H. Foote, Vice President and Director of Commonwealth Services Inc. and Chairman of the EEI Electrical Equipment Committee. Private enterprise, Mr. Foote feels, continues to hold the technological lead in electric progress, with advances of vital importance accompanying the huge expansion of load and capacity since World War II. But a publicity barrage extolling the technical work of government agencies has been directed at the American people, and Mr. Foote questions how much the public knows about private enterprise's electrical achievements.



W. O. TURNER
President, Louisiana Power & Light Co.

Second General Session

Convening on Tuesday morning, the second general session will open with an address on "America's Defense and the American Way of Life," by Allan B. Kline, President of the American Farm Bureau Federation. Mr. Kline feels that, in the present "emergency," the thing on trial in the world is personal liberty, and its survival depends primarily on America. There are many who seem honestly to believe that, in the face of our present dilemma, we should desert the traditions which have made us great. He will show how we ought, instead, to capitalize on the advantages of freedom because they are basic to the American way of life—and because they work.

An address, "Are You Leading Your Safety Program?" by Dr. Walter A. Cutter, Assistant Professor of Industrial Safety and Assistant Director of the Center for Safety Education, New York University, will follow. Dr. Cutter feels that vigorous leadership at the top is essential in bringing out the full range of advantages inherent in accident prevention and that, at every level of operation, there must be complete absorption of safety principles and practices. Successful plans and programming will be described, showing how alert and continuing top-management interest can be projected into satisfactory accomplishment. Concluding the second general session will be a demonstration of the

Oesterreich Pole Top Method of Resuscitation.

Third General Session

Opening the third general session on Tuesday afternoon will be a discussion of "This Business of Government" by The Hon. Wallace F. Bennett, U. S. Senator from Utah. Believing that the outstanding political issues of this election year are rooted in economic problems, Senator Bennett is of the opinion that the chief criticism of the administration may grow out of the feeling that it has failed as the practical manager of the "Business of Government." Senator Bennett is convinced that the American people are tired of economic experimentation and are seeking a foundation of truth upon which a sound policy can be built for the future.

Deane W. Malott, President of Cornell University, whose talk is entitled "On the Frontiers Where Industry and Education Meet," feels that a united front is needed between the nation's universities and business organizations, where each group understands and respects the other and where the relation of each to government is defined. According to Mr. Malott, universities need the tolerance and support of business corporations, if Federal subsidy and control are to be avoided, and business needs the research, trained young men and women, and vitality of the universities.

Closing the third general session will be a panel discussion on "How Do Thoughtful Youngsters Choose Careers Today?" With F. E. Verdin, Director of Personnel for The Cleveland Electric Illuminating Co., acting as moderator, the panel will be composed of Adam S. Bennion, Vice President of the Utah Power & Light Co.; L. R. Gaty, Engineering Department Manager of the Philadelphia Electric Co.; and W. O. Turner, President of the Louisiana Power and Light Co.

GEORGE E. WHITWELL
Chairman, Prize Awards Committee

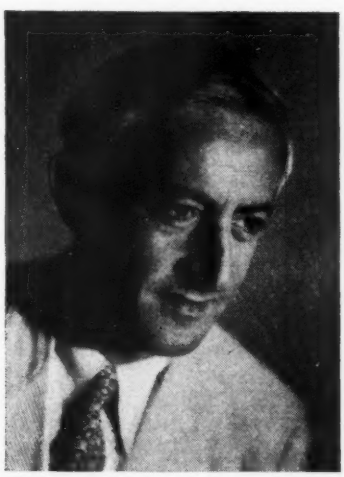
It is planned that Mr. Verdin begin the discussion with a statement of three principal considerations which seem to be influencing college graduates in the selection of a career. These are that (1) the graduate wants an initial opportunity to work where he can utilize his specialized training within a reasonable time; (2) the graduate wants assignments with responsibilities which will develop his potential in such a manner as to present a continuing challenge to his technical competence; and (3) the graduate wants recognition of his talents and successful performance by reasonably rapid advancement, with commensurate salary growth. These three topics will be dealt with, respectively, by Mr. Turner, Mr. Gaty, and Mr. Bennion, and upon conclusion of their remarks, Mr. Verdin will summarize the opinions of the panel in a closing statement.

Fourth General Session

Opening the fourth general session will be the presentation of the Claude L. Matthews Valor Award and the Reddy Kilowatt Annual Report Award by EEI Prize Awards Committee Chairman George E. Whitwell, Vice President of the Philadelphia Electric Co. Mr. Whitwell will then give an account of awards made prior to the convention.

Abel Wolman, Professor of Sanitary Engineering at Johns Hopkins University, who will speak on "Complexities of a National Water Policy," is of the opinion that this country's water problems may be aptly described as arising from too much, too little, or too bad water. He feels that in the last 50 years the desire for orderly conservation and development has driven people into various economic, social, and political panaceas and camps. Concerned with the ability of the ordinary citizen to see the trees for the forest, he will determine whether or not there are any easily discernible elements of a sound national water policy.

Speaking on "The Future of Private Power Companies," J. E. Corette, Vice



ABEL WOLMAN
Professor of Sanitary Engineering, Johns Hopkins University

J. E. CORETTE
Vice President and Assistant General Manager, The Montana Power Co.

EARLE J. MACHOLD
President, Niagara Mohawk Power Corp.

President and Assistant General Manager of The Montana Power Co., feels that private power companies have grown and prospered in spite of the development of Federal power and is of the opinion that continued fine service, efficient operation, and good public relations by companies, as compared with Federal power's extravagance and inefficiency, will assure the future existence and success of power companies.

Discussing "The Far-Reaching Implications of the Niagara Controversy," Earle J. Machold, President of the Niagara Mohawk Power Corp., believes that public power sponsors, without pretense of fulfillment of any traditional governmental function, would place government directly in the power business at Niagara Falls. He feels that the stake of individual companies in the Niagara controversy now before Congress is tremendous, and he will explain the seriousness of this threat to the private enterprise system, as typified by the electric industry.

Industrial Relations Committee Meeting

Convention delegates are invited to attend an open meeting of the Industrial Relations Committee at the Statler Hotel, on Monday, June 2, from 10 to 12 a.m. Speakers will include H. K. Breckenridge, who will explain the personnel policies of England's socialized electric industry; Arch Patton of McKinney and Co., discussing pay incentives for middle management; and Professor R. Dickson of the University of Michigan, describing the public utility executive course given at that institution during the summer.

Convention Particulars

Delegates are urged to register for the Convention as soon as possible after their arrival in Cleveland. There will be a fee of $10.00, and registration will be conducted according to the following schedule:

Sunday, June 1—2 p.m. to 5 p.m., lobbies of Cleveland and Statler Hotels.

Monday, June 2—8:30 a.m. to 12

(*Continued on page* 141)

Special Convention Musical Program to be Presented Through Courtesy of Westinghouse

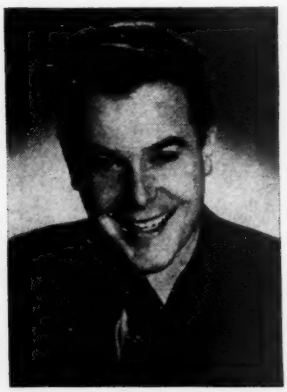
FEATURING the Cleveland Orchestra in a program which will also combine the talents of three stars who have achieved noteworthy success in the entertainment world, an evening of musical enjoyment will be presented through the courtesy of the Westinghouse Electric Corp. for EEI Convention delegates on Tuesday, June 3. The program will begin at 8:30 p.m. in the Arena of the Cleveland Public Auditorium, following presentation of the Charles A. Coffin Award.

Under the baton of Associate Conductor Rudolph Ringwall, the Cleveland Orchestra, which has taken its place among the world's great symphonic groups, will offer a program of musical favorites, with Betty Furness, star of stage, screen, radio, and television, acting as mistress of ceremonies. Featured soloist of the evening will be John Sebastian, harmonica virtuoso, who has been enthusiastically received in performances with leading symphony orchestras throughout the nation. In addition, singer Mary Martha Briney, whose versatility has won her acclaim in settings ranging from supper clubs to grand opera, will also appear.

Betty Furness is known to televiewers for her contributions to Westinghouse Electric's "Studio One," her appearances on "Leave it to the Girls," and for her own TV show, "Penthouse Party." With several successes on Broadway and 35 pictures in Hollywood to her credit, she has established herself as a radio and TV personality whose unfailing graciousness has made her a leading "emcee."

Originally intending to enter the diplomatic service, John Sebastian won a fellowship for two years' study in Rome. Upon his return to this country, however, engagements as a harmonica virtuoso convinced him that he should follow music, and one week after auditioning for Eugene Ormandy, conductor of the Philadelphia Orchestra, he appeared with the orchestra as soloist. Since that time he has performed with the Toronto Symphony, NBC Symphony, Rochester Civic Symphony, New Orleans Symphony, Fort Wayne Symphony, and Louisville Symphony. In Cleveland, where he was engaged for a pops concert, he aroused such enthusiasm that he was recalled for a second performance that same summer and was then signed for the following season.

Mary Martha Briney has appeared on numerous New York network radio shows, and her voice has been recorded in six albums of light opera music with the Al Goodman Orchestra. In grand opera she has sung with the New York City Center Opera and Pittsburgh Opera, and she has also performed with the Pittsburgh Symphony Orchestra under leading conductors, including Fritz Reiner, Artur Rodzinski, and Vladimir Bakaleinikoff.



JOHN SEBASTIAN

BETTY FURNESS

DR. RUDOLPH RINGWALL

MARY MARTHA BRINEY

Increased Effectiveness of Sales Operations Called for at EEI Sales Conference

SIGNALIZING the need for new sales approaches, increasing the effectiveness of salesmen, and providing new sales tools to offset the rising costs of commercial operations, the 18th Annual EEI Sales Conference, held at the Edgewater Beach Hotel in Chicago, March 31-April 3, presented a diversified program which examined methods of increasing efficient commercial, residential, and rural use of electricity and appliances, establishing new customer services, and aiding the industry in its efforts to help preserve the free-enterprise system. Throughout the section-sponsored meetings and general sessions of the conference, which was attended by nearly 1000 delegates, the necessity of intensified selling was implied.

General Sessions

With Merrill E. Skinner, Vice President of the Union Electric Co. of Missouri, presiding, the general sessions of the conference were opened on Wednesday morning, April 2, by Mr. Skinner, Chairman of the Commercial Division General Committee. Expressing his appreciation to the 324 committee members who contributed to the success of Commercial Division activities during his two years in office, Mr. Skinner also called attention to the sales problems developing from inflation. "The fact," he said, "that the rise in the cost of the service we supply has been slow and far less than most other services and commodities has driven business into our laps. The cost comparison of using electricity against other means of doing work has been shifting in our favor in all markets. But the over-all results of inflation are bad, and the problems it poses are deserving of your earnest attention."

Mr. Skinner went on to point out the situation created by the rising costs of sales operations. "Considering salaries, transportation, and other expenses," he said, "it probably costs twice as much to maintain an individual salesman in the field now as it did before World War II. On the other hand, he can't sell any more customers than could his pre-war prototype." He then described the contributions being made by the commercial committees to the solution of this problem.

In a survey of "The Business Outlook for the Year Ahead," Jacob Baker of the Econometric Institute predicted that the high income levels expected this year would mean that the demand for electric appliances would absorb all production. He said, however, that in 1952 optimum appliance-ownership levels would increase only mildly and that the replacement market in the next two years would be less strong than it has been thus far since the end of World War II.

Walter H. Sammis, President of the Ohio Edison Co., spoke on "A Balanced Electric Utility Sales Program, and the full text of his remarks appears elsewhere in this issue of the BULLETIN.

Prize Awards Presentations

Concluding the morning session was the presentation of the prize awards for planned lighting, promotion of electrically operated farm equipment, home service, rural electrification, and electric appliance promotion. The presentation ceremonies were conducted by George E. Whitwell, Vice President of the Philadelphia Electric Co. and Chairman of the EEI Prize Awards Committee.

The Planned Lighting Awards were presented to the Georgia Power Co. and New Orleans Public Service Inc. for excellence in the residential lighting field; to the Public Service Electric & Gas Co. and Consolidated Gas Electric Light & Power Co. of Baltimore for outstanding work in the field of industrial lighting; and to the Duquesne Light Co., The Detroit Edison Co., and The Ohio Power Co. for outstanding programs and accomplishments in the field of commercial lighting.

The first and second prizes of the Frank Watts Awards were presented to the Appalachian Electric Power Co. and

R. E. JOHNSON (left), Manager of Farm Sales, The Toledo Edison Co., accepts the Thomas W. Martin Rural Electrification Award on behalf of his company from E. C. Easter, Vice President, Alabama Power Co.

ROY H. ASHWORTH (left), Vice President, Utah Power & Light Co., receives the George Westinghouse Award, first prize for automatic washer promotion, from R. J. Sargent, representing the Westinghouse Electric Corp.

MRS. MARY W. HELD (left), Supervisor of the Residential Division, The Cincinnati Gas & Electric Co., is presented the George Westinghouse Award, second prize in the automatic washer class, by Mr. Sargent.

PAUL BAUMBLATT (left), Supervisor of Appliance Merchandising, The Detroit Edison Co., is recipient of a Westinghouse Award, first prize for promotion of electric clothes dryers, from Mr. Sargent.

W. T. CLARK (left), Manager of Residential Sales, The Cleveland Electric Illuminating Co., receives a Westinghouse Award, second prize in the electric clothes dryer class, from Mr. Sargent.

A. R. HAMPSEY (left), Supervisor of Commercial Promotion, Duquesne Light Co., accepts Planned Lighting Commercial Award from S. L. Drumm, Chairman Better Light Better Sight Bureau.

L. E. TAYLOR (left), Senior Engineer, Lighting Sales Division, The Detroit Edison Co., accepts a Planned Lighting Commercial Award on behalf of his company from Mr. Drumm.

R. I. BULL (left), Commercial Sales Supervisor, The Ohio Power Co., displays the Planned Lighting Commercial Award won by his company, which was presented by Chairman Drumm.

JAMES L. CAMPBELL (left), who is in charge of the Planned Lighting Program of New Orleans Public Service Inc., accepts a Planned Lighting Residential Award from Mr. Drumm.

Accepting one of two equal Planned Lighting Residential Awards on behalf of her company, MISS ELIZABETH PARKER (left), Home Service Director of Georgia Power Co., is pictured with Mr. Drumm.

BRUCE J. JENSEN (left), Assistant Sales Manager, Electric Operations, Public Service Electric and Gas Co., accepts for his company one of two equal Planned Lighting Industrial Awards from Mr. Drumm.

C. J. BERRY (left), Manager of the Lighting Service Department, Consolidated Gas Electric Light and Power Co. of Baltimore, receives a Planned Lighting Industrial Award, presented by Mr. Drumm.

the Pennsylvania Power & Light Co., respectively. The equal third, fourth and fifth prizes were awarded to The Ohio Power Co., The Detroit Edison Co., and the Alabama Power Co.

The Laura McCall Awards were presented to Mrs. Marguerite Surles, Carolina Power & Light Co., in Division A; to Miss Joreka Rippetoe, Kingsport Utilities, Inc., in Division B; and to Miss Fern Brannen, Southwestern Public Service Co.; Miss Emily Lewis, The Ohio Power Co., and Miss Floy May, Alabama Power Co., in Division C.

Winners of the George A. Hughes Awards in Division A were the Southern California Edison Co., for electric kitchen promotion; Carolina Power & Light Co., for electric range activity; Metropolitan Edison Co., for electric water heater activity; The Cincinnati Gas & Electric Co., for electric dishwasher activity; and Pennsylvania Power & Light Co., for commercial electric cooking activity.

The Division B George A. Hughes Award winners were the Kentucky & West Virginia Power Co., for electric range activity; Central Ohio Light and Power Co., for electric water heater activity; Iowa Power and Light Co., for electric dishwasher activity; and Hartford Electric Light Co., for commercial electric cooking activity.

The Thomas W. Martin Rural Electrification Award was won by The Toledo Edison Co.

The winners in the automatic electric washer class of the George Westinghouse Awards were the Utah Power & Light Co. and The Cincinnati Gas & Electric Co., recipients of first and second prizes respectively. In the automatic electric clothes dryer class, the first and second prizes were awarded to The Detroit Edison Co. and The Cleveland Electric Illuminating Co., respectively. Honorable mentions were recommended for Kentucky & West Virginia Power Co. and Metropolitan Edison Co.

At noon on Wednesday, attendants at the PUAA luncheon heard Dr. William McGovern of Northwestern University speak on "The Road Ahead."

The Wednesday afternoon meeting of the general sessions convened to hear Keen Johnson, Vice President of the Reynolds Metals Co., discuss "Progress Through Power." In his talk, Mr. Johnson called attention to the diminishing supply of copper and reviewed the development and properties of aluminum alloys suitable for use in the electric industry.

L. L. KOONTZ (left), System Rural Sales Supervisor, Appalachian Electric Power Co., accepts first prize in the Frank Watts Award, presented for *Farm Journal* by Vice President Neilson Mathews.

R. T. JONES (left), Manager of the Farm Sales Department, Pennsylvania Power & Light Co., accepts a Frank Watts Award, second prize, for his company. Mr. Mathews makes the presentation.

A premiere showing of "Young Man's Fancy," a 16-mm sound and color film produced by the Electric Kitchen and Laundry Committee, was introduced by Committee Chairman Will T. Clark, Residential Sales Manager of The Cleveland Electric Illuminating Co., and William A. Lyons, Vice President of the New York State Electric & Gas Corp., spoke on "Using the Commercial Department to Sell 'More Power from Niagara.'" Concluding the day's activities was an address, "The Salesman's Faith," by Dwayne Orton, Director of

Displaying the Laura McCall Awards won by their respective companies for outstanding home service work are: seated, left to right, MISS FERN BRANNEN, Southwestern Public Service Co.; MISS FLOY MAY, Alabama Power Co.; MISS EMILY LEWIS, The Ohio Power Co.; standing, GEORGE E. WHITWELL, Chairman of the EEI Prize Awards Committee; MISS JOREKA RIPPETOE, Kingsport Utilities, Inc.; MRS. MARGUERITE SURLES, Carolina Power & Light Co.; and MRS. ELIZABETH SWEENEY HERBERT of McCall's Magazine, donor of the awards.

R. K. DERRY (left), Rural Service Supervisor, The Ohio Power Co., is the recipient on behalf of his company of the Frank Watts Award, third prize, presented by Mr. Mathews.

Displaying the Frank Watts Award, fourth prize, won by his company, J. C. CAHILL, Farm Service Coordinator of The Detroit Edison Co., is pictured above with Mr. Mathews.

Recipient on behalf of his company of the fifth prize, Frank Watts Award, M. B. PENN, Chief Agricultural Engineer of the Alabama Power Co., is congratulated by Mr. Mathews.

Education of the International Business Machines Corp.

The first speaker of the Thursday morning general session, April 3, was F. B. Hout, representing the National Association of Domestic and Farm Pump Manufacturers, who discussed the load building that results from the installation of electric water systems, in a talk entitled "Formula Four For One." Speaking on "The Forgotten Casualty," Dr. Howard A. Rusk of the Institute for Physical Medicine and Rehabilitation described one of the Institute's research projects, a home-management training program, which is designed to enable the disabled housewife to resume normal homemaking activities. H. Thomas Hallowell, Jr., President of Standard Pressed Steel Co., discussed "Using Capital to Increase Productivity," and concluding the Thursday morning meeting, Walter H. Johnson, Jr., Secretary of American Airlines, Inc., presented his view of the "1952 Sales Manager."

At the general luncheon session on Thursday noon, George M. Gadsby, President of the Utah Power & Light Co. and President of the Institute, dealt with "Socialism as a Competitor," in an address which appears elsewhere in this issue of the BULLETIN. Following was a talk, "America Needs Free Enterprise," by Cal D. Johnson, President of the Midwest Sales and Service Corp.

Home Service Conference

With Miss Elizabeth Williams, Home Service Director of the Monongahela Power Co. and Chairman of the EEI Home Service Committee, presiding at the morning session and delivering the opening remarks, the first day of the Sales Conference, Monday, March 31, was entirely devoted to the Home Service Conference, at which speakers discussed the problems and some of the unexplored promotional possibilities of home service work.

The day's activities started with a series of brief reviews of school programs by Miss Jane Grau, Home Service Director of the Duquesne Light Co.; Miss Lucy L. Hanan, Home Service Director of the Consolidated Edison Co. of New York, Inc.; Miss Edith Hitchcock, Home Service Director of the Alabama Power Co.; Miss Elizabeth Parker, Home Service Director of the Georgia Power Co.; Miss Mary E. Turner, Home Service Director of the Potomac Electric Power Co.; and Mrs. Harriet G. West, Home Service Director of the Indianapolis Power & Light Co.

Following was a panel discussion on "Evaluating Home Service TV Programs," with Mrs. Florence Neely, Home Service Director of the Consolidated Gas Electric Light & Power Co. of Baltimore; Miss Esther Lee Bride, Director of the Home Economics Consultant Service, Union Electric Co. of Missouri; and Miss Louise Leslie, Home Economist of Harvey and Howe, Inc. An address, "New Light on Your Favorite Subject," by Carl J. Dueser, Manager of the Merchandising Division, National Retail Furniture Association, concluded the morning meeting.

Mrs. Mariquita Dygert, Home Service Division Supervisor for The Detroit Edison Co., presided at the afternoon meeting, which opened with an address by Harry Restofski, Vice President of the West Penn Power Co. Mr. Restofski's talk, "Home Service and the Health Home," appears elsewhere in this issue. Concluding the Home Service Conference was a discussion of "How to Train Salespeople," by Miss Willie Mae Rogers, Director of Home Economics for the Admiral Corp., and Mrs. Vivian Overand, Northwestern Director of the Westinghouse Electric Corp.

F. A. Compton, Vice President and General Sales Manager of The Detroit Edison Co., spoke on "New Horizons for Home Service" at the home service breakfast on Tuesday morning.

The second day of the Sales Conference, Tuesday, April 1, was devoted to meetings of the Commercial, Farm, Industrial Power and Heating, and Residential Sections.

Commercial Sales Section

Presided over by its Chairman, C. D. Hollister, Lighting Advisor of the Niagara Mohawk Power Corp., the Commercial Sales Section opened its Tuesday morning meeting with two addresses on commercial lighting. The first, on "Panelescent Lighting," was presented by Richard G. Slauer of Sylvania Electric Products, Inc., and the second, entitled "Lighting the Way to Education," was delivered by Dr. Clyde A. Erwin, Superintendent of Public Instruction for the State of North Carolina. Upon conclusion of these talks, R. I. Bull, Commercial Sales Supervisor of The Ohio Power Co. and Chairman of the Com-

J. H. ADAMS (left), Director of Domestic Load Development, Southern California Edison Co., accepts George A. Hughes Award for electric kitchen promotion from Dwight Anneaux, Hotpoint, Inc.

T. B. SMILEY (right), Residential and Rural Sales Manager, Carolina Power & Light Co., is presented the George A. Hughes Award for electric range activity, Division A, by Mr. Anneaux.

R. W. SMITH (right), Director of Residential Sales, Metropolitan Edison Co., receives his company's George A. Hughes Award for electric water heater activity, Division A, from Mr. Anneaux.

E. W. HODGETTS (left), Assistant Manager of Sales Promotion, The Cincinnati Gas & Electric Co., accepts the George A. Hughes Award, Division A, for electric dishwasher activity from Mr. Anneaux.

E. P. WERLEY (left), Manager, Commercial Sales Department, Pennsylvania Power & Light Co., displays the Hughes Award for commercial electric cooking activity, presented by Mr. Anneaux.

G. A. WEATHERTON (left), General Commercial Manager, accepts for his company, Kentucky & West Virginia Power Co., the George A. Hughes Award for electric range activity from Mr. Anneaux.

EARL F. HAMILTON (left), Advertising Manager, Central Ohio Light and Power Co., is the recipient of the George A. Hughes Award for electric water heater activity, Division B, from Mr. Anneaux.

JOE FERGUSON (left), Commercial Manager of Iowa Power and Light Co., receives his company's George A. Hughes Award, Division B, for electric dishwasher activity from Mr. Anneaux.

E. D. P. GROSS (left), Commercial Sales Engineer, Hartford Electric Light Co., is congratulated by Mr. Anneaux on his company's George A. Hughes Award for commercial electric cooking activity.

mercial Lighting Committee, led a discussion of commercial lighting.

Under the heading of street lighting, Charles Doherty, Municipal Sales Manager of the West Penn Power Co., spoke on "Street Lighting in High Gear;" Hugh Estes, Chief of the Outdoor Lighting Section of NPA, discussed "Availability of Material;" and Warren Edman, Chairman of the NEMA Street Lighting Committee, answered the question, "What Is NEMA Doing for Street Lighting?" Concluding the morning meeting was a discussion of street lighting, conducted by R. M. Hoot, Supervisor of Street Lighting, Suburban Division, Philadelphia Electric Co., and Chairman of the Street Lighting Coordination Committee.

J. D. Howard, General Sales Manager of the Wisconsin Power and Light Co. and Chairman of the Market Development and Electrical Applications Committee, presided at the afternoon meeting, which was opened with two talks on market development. J. Frank Gaskill, Sales Manager of the Philadelphia Electric Co., who was slated to discuss "Developing Commercial Business Through the Electrical Leagues," was unable to attend, and his remarks were delivered by C. C. Shotwell of the same company. Following was an address on "Analyzing Your Future Commercial Market" by Lyman Hill, Market Research Consultant.

The section of the meeting devoted to commercial cooking began with presentation of the Data Sheet Award to Matthew McGettigan of the Philadelphia Electric Co., who was judged to have submitted the best data sheet, from a sales viewpoint, in 1951. The presentation was made by Merrill E. Skinner, Chairman of the Commercial Division General Committee, and was followed by a talk entitled, "Swivel Chairs for Sale," by E. P. Werley, Commercial Sales Manager of the Pennsylvania Power & Light Co. The subject of Walter Sormane, Chairman of the Sales Promotion Committee, NEMA Food Service Equipment Section, was the "Commercial Cooking Industry Looks Ahead," and L. H. Foster, President of the Foster Refrigeration Corp., spoke on an "Opportunity for Cooperation." A discussion followed, led by S. S. Sansbury, Manager of the Development and Training Division of the Union Electric Co. of Missouri and Chairman of the Commercial Cooking Committee, thus concluding the Commercial Sales Section Meeting.

Farm Section

The Tuesday morning session of the Farm Section meeting, presided over by J. C. Cahill, Farm Service Coordinator of The Detroit Edison Co. and member of the Farm Utilization Committee, had as its first speaker R. T. Jones, Manager of Farm Sales for the Pennsylvania Power & Light Co. and Chairman of the Farm Section.

Addresses presented at the morning session were "Lamps and Lighting for Farm Production," by J. P. Ditchman of the General Electric Co.; "The Farmer and His Problems," by Dr. Herrell DeGraff, Professor of Food Economics of the Babcock Foundation, Cornell University; "Vocational Agricultural Teachers' Problems in Farm Electrification," by Louis M. Sasman, Chief of Agricultural Education for the State of Wisconsin; and "The Years Ahead in Farm Electrification," by Professor E. W. Lehmann, Head of the Agricultural Engineering Department, University of Illinois.

At the farm luncheon, K. W. Haagensen, Director of Public Relations for the Allis-Chalmers Manufacturing Co., delivered an address entitled "What Kind of a Salesman Are You?"

Following the luncheon, a farm electrification clinic was held, with R. T. Jones as moderator. The subjects dealt with were "Is Standby Farm Power Necessary?" by E. D. Smith, Supervisor of Rural Sales for The Dayton Power and Light Co. and Chairman of the Farm Utilization Committee; "How Does Your Company Carry Out Youth Programs?" by A. G. Mayer, Manager of Agricultural Development for The Washington Water Power Co. and Chairman of the Rural Youth Committee; "How Do You Use Electricity in Brooding?" by B. S. Moss, Rural Division Manager of the Georgia Power Co. and Chairman of the Agricultural Development Committee; and "How Do You Organize Farm Programs?" by Mr. Cahill.

Industrial Power and Heating Section

With Glenn S. Young, Manager of Power and Lighting Sales for the Kansas City Power & Light Co. and Chairman of the General Power and Heating Committee, presiding, the Tuesday morning meeting of the Industrial Power and Heating Section was opened by its Chairman, Maxwell Cole, Manager of Market Studies and Service Division of the Philadelphia Electric Co. J. Reed Hartman, Vice President of The Cincinnati Gas & Electric Co., spoke on the "Industrial Electrification Council," and Mr. Sullivan, representing the Battelle Memorial Institute, discussed "What's Ahead in Research," substituting for Clyde Williams, Director of the Institute, who was unable to attend the conference. Willard Brown gave a demonstration entitled "See Better—Work Better—Pays Everybody Dividends," and Orrin E. Wolf, Vice President of the Commercial Equipment Department, Hotpoint, Inc., concluded the morning session with a talk on "In-Plant Feeding."

The afternoon meeting opened with the presentation of a sound and color film, produced by the Sheffield Steel Corp. and depicting the part electricity plays in the manufacture of steel. Russell Clark, Power Engineer for The Columbia Southern Chemical Corp., discussed "The Role of Electric Service in the Chemical Industry," and R. C. Hienton, General Sales Manager of The Cleveland Electric Illuminating Co., spoke on "The Electrical League as a Potent Force in Developing Industrial Electrical Business." Concluding the Industrial Power and Heating Section meeting, Sherman R. Knapp, President of The Connecticut Light & Power Co., gave "Management's View of the Power Sales Job."

Residential Section

The Tuesday morning session of the Residential Section meeting was presided over by M. R. Norton, Dealer Sales Promotion Manager of the Wisconsin Power and Light Co. and Chairman of the Dealer Coordination Committee, and was opened by E. O. George, Commercial Manager for The Detroit Edison Co. and Chairman of the Residential Section. Following a talk on "Electric Utility Health Home Programs" by Miss Elizabeth Williams, Chairman of the Home Service Committee, the meeting continued with an address, "As an Appliance Dealer Sees Us," by Al Robertson, an appliance dealer from Oklahoma City, Okla. Will T. Clark, Chairman of the Electric Kitchen and Laundry Committee, gave a talk entitled "You Can Use It," and Dr. Allen B. DuMont, President of Allen B. DuMont Laboratories, Inc., spoke on "Tele-

(*Continued on page 141*)

Accountants Meet to Consider Industry Problems at Joint Conference

Record Attendance at New York Meeting, April 7-9

MORE than 1000 registrants participated in the Annual National Conference of Electric and Gas Utility Accountants held this year in New York City, a record attendance which brought together accountants from all over the nation to discuss ways in which they can further increase their vitally important contributions to the operations of the electric and gas industries.

More than 60 papers and reports were presented at this conference and considerable opportunity was allowed for free discussion following presentation of the various subjects. It is proposed to reproduce the presentations of the conference in a set of "Proceedings," additional copies of which will be available at EEI or AGA headquarters at a price to cover cost of producing and mailing.

General Session

The conference opened on Monday afternoon, April 7, at 2 p.m., with a general session conducted jointly by Ralph F. McGlone of The East Ohio Gas Co., Chairman of the AGA Accounting Division, and E. L. Cassady of the Indianapolis Power & Light Co., Vice Chairman of the EEI Accounting Division, substituting for EEI Chairman Ralph H. Smith, of The Cleveland Electric Illuminating Co. Harland C. Forbes, Executive Vice President of Consolidated Edison Co. of New York, Inc., delivered the address of welcome on behalf of his own company, which served as conference host, and of all public utility companies in the New York metropolitan area. H. S. Bennion, Vice President and Managing Director of the Edison Electric Institute, joined H. Carl Wolf, Managing Director of the American Gas Association, in extending the greetings of their respective organizations to the delegates.

Principal speakers at the General Session included Kinsey M. Robinson, President, The Washington Water Power Co., whose talk on "Opportunities for Accountants in Public Relations" appears elsewhere in this issue; Allan H. Mogensen, Industrial Consultant, who outlined the basic principles of "Work Simplification"; and Charles E. Oakes, President, Pennsylvania Power & Light Co., who chose as his subject "Competitions Affecting Industry—Productive and Destructive," a speech which also appears in this issue of the BULLETIN.

A progress report on the "Revision of Classification of Accounts," as recorded by EEI and AGA Committees working in conjunction with the National Association of Railroad and Utilities Commissioners on a uniform system of accounts for electric utilities, was presented by O. K. Boyd of Consolidated Gas Electric Light and Power Co. of Baltimore. While 90 per cent of suggestions by industry representatives have been adopted by the NARUC committee, Mr. Boyd reported that differences still exist on such matters as depreciation and the related reserves, the maintenance of continuing property records, mandatory requirement for certain construction costs as overheads and certain other construction costs as direct costs, the adoption of the so-called "all-inclusive" income statement, the treatment of customers' advances for construction and contributions in aid of construction, and the definitions of transmission and distribution, particularly relating to expenses and plant accounts.

Concluding the General Session was a presentation by E. R. Eberle, Public Service Electric and Gas Co., on "Development of Management Employees." In reporting on the management development program of his company, Mr.

HARLAND C. FORBES, Executive Vice President, Consolidated Edison Co. of New York, Inc., welcomes delegates to the general session of the Annual National Conference of Electric and Gas Utility Accountants. At the speaker's table (left to right) are O. K. BOYD, Consolidated Gas Electric Light and Power Co. of Baltimore; ALLAN H. MOGENSEN, Industrial Consultant; RALPH F. MCGLONE, The East Ohio Gas Co., Chairman of the AGA Accounting Section; Mr. Forbes; E. L. CASSADY, Indianapolis Power & Light Co., Vice Chairman of the EEI Accounting Division; KINSEY M. ROBINSON, President, The Washington Water Power Co.; CHARLES E. OAKES, President, Pennsylvania Power & Light Co.; H. S. BENNION, EEI Vice President and Managing Director; and E. R. EBERLE, Public Service Electric and Gas Co.

Eberle stressed the fact that such a program represents a capital investment, although it cannot be so treated in an accounting concept. Nevertheless, he said, provision must be made for building a management team for the future, just as provision must be made for plant expansion.

The conference continued on Tuesday, April 8, with morning and afternoon sessions, and on Wednesday, April 9, with a morning session, at which presentations by the various standing committees included reports and papers by project committees, guest speakers, and panel discussions.

The customary informal banquet of the conference on Tuesday evening was marked this year with the presentation of a testimonial to H. C. Hasbrouck, Accounting Director of the Edison Electric Institute, who has been active in association and committee work for over a quarter of a century. For over 15 years, Mr. Hasbrouck served as chairman of one or more of the standing committees of the EEI and AGA, including the depreciation and the system of accounts activities. The presentation on behalf of the Accounting Divisions of the electric and gas industries was made by Charles E. Kohlhepp, President of the Wisconsin Public Service Corp. and past chairman of the Accounting Executive Committee, EEI.

Customer Activities

The Customer Activities Group, with John C. Faris, Union Electric Co. of Missouri, Coordinator for the EEI, and J. Gordon Ross, Rochester Gas and Electric Corp., Coordinator for the AGA, presiding, heard a talk by O. R. Williamson, Kentucky Utilities Co., titled "Are We Doing Half as Well as We Know How?" Mr. Williamson pointed out that "in a very real sense, we are cancelling out the work of our engineers, rate makers, and financial men unless we treat the customer decently and have him feel he is getting decent treatment." (See page 137 for complete text.)

The costly importance of skipped meter readings, instances where the meter reader cannot gain access to the meter on his first visit, and methods of abating the problem were described by W. M. Penfield of Public Service Electric and Gas Co.

T. C. Eickmeyer, The Dayton Power & Light Co., discussed a project on "Determination of Collection Policy." Such a policy must protect the company's revenue from undue losses from bad accounts, Mr. Eickmeyer said, but at the same time must promote good will between consumer and company. The collection policy for any company must, first, conform with the law; second, it must be flexible to meet changing economic conditions; third, it must be effective both from a collection and customer relations standpoint; and fourth, it must be carried out at the lowest possible cost.

Pictured at the Internal Auditing Meeting on Tuesday morning are (left to right) C. J. NICHOLS, Consolidated Gas Electric Light and Power Co. of Baltimore; W. T. HAMILTON, The Cleveland Electric Illuminating Co., and E. R. MELLON, Washington Gas Light Co., who presided jointly as Chairmen; and J. B. JEMING, Consultant.

With L. R. Quad, Public Service Electric and Gas Co., as moderator, the session heard a panel discussion of the question, "To File or Not to File?" on Wednesday morning. Participants in this part of the program included C. J. Berner, Wisconsin Electric Power Co.; G. S. Coates, Southern Counties Gas Co. of California; Hugh M. Fitzpatrick, Michigan Consolidated Gas Co.; A. H. Mayer, Consolidated Edison Co. of New York, Inc.; J. H. W. Roper, Washington Gas Light Co.; and R. G. Schneider, Virginia Electric and Power Co.

F. J. Porter, Jr., of the Consolidated Edison Co. of New York, Inc., presented a progress report of the Subcommittee on Electronic Accounting Machine Developments, pointing out the potential uses of this new equipment for accountants.

General Accounting

The General Accounting Committees, with H. W. Boozer, Georgia Power Co., EEI Chairman, and F. H. Crissman, The Columbia Gas System, Inc., AGA Chairman, presiding, heard A. W. Hatch, of Ebasco Services Inc., discuss "Indirect Construction Costs: Interest During Construction." Mr. Hatch reviewed the historical development of this practice and outlined the considerations of interest in evaluating current policies.

E. Toder, Consolidated Edison Co. of New York, Inc., discussed "Accounting Considerations in the Determination of Pension Costs Applicable to Costs of Construction," indicating that the accounting problems involved include the same problems encountered in the consideration of all indirect and overhead costs.

Exception was taken to the theory that accounting is wholly an historical process by Paul Grady, a partner of Price Waterhouse & Co. Mr. Grady, speaking on the subject, "Accounting Developments for the Past Year," said the idea that accounting did not need to recognize changes in purchasing power acted as a stimulant to inflation in periods of high prices and correspondingly extended deflation in periods of depression. He expressed the belief that, next to the threat of socialization, the maintenance through revenues of the integrity of the physical capital in terms of service capacity is the most important problem faced by utilities under present political and economic conditions.

At the Tuesday afternoon session an

interim report of the Subcommittee on Budgeting and Forecasting was given by Ralph O. Linville, Kansas City Power and Light Co.

There is a trend among utility companies toward establishment of a formal methods and procedures unit in each company, according to John G. Cadby, of the Wisconsin Electric Power Co. By assigning such a group on a company-wide basis, he added, management reduces duplication of effort and overlap of operations.

The outlook for new capital for the utility industry was the subject on which Albert H. Gordon, of Kidder, Peabody & Co., spoke. Mr. Gordon urged those attending the conference to pay close attention to the possibilities of financing plant additions with issues of new preferred stocks backed with sinking fund provisions. He said this type of financing had been neglected recently by utilities but presented a number of advantages.

A progress report of the Subcommittee on Electronic Accounting Machine Developments was presented by J. H. W. Roper, Washington Gas Light Co., reviewing recent developments in the field.

"Current Practices in Financial Reporting to Stockholders and to Management" were described by Everett E. Roll, The Detroit Edison Co., at the Wednesday morning session. Mr. Roll said there is "a rather encouraging trend toward greater uniformity in annual report financial statements."

Lloyd Nemeyer, of Arthur Andersen & Co., discussed "Trends and Developments in Rate Regulation."

A report on "Simplified Accounting and Control for Minor Materials" was presented by R. H. Johnson, of The Brooklyn Union Gas Co. While minor materials accounting represents a compromise with accounting preciseness, Mr. Johnson said, it is a practical necessity for the larger companies.

The problem of "Accounting for Non-Productive Time," was the subject of a report made by Miles J. Doan, The Cincinnati Gas & Electric Co. Mr. Doan said the companies surveyed accounted for this time by means of a loading charge, average hourly rates, or by charges to the account which normally would have been charged had the employee worked.

Internal Auditing

At the Tuesday morning session the Internal Auditing Committees, presided over by W. T. Hamilton, The Cleveland Electric Illuminating Co., EEI Chairman, and E. R. Mellon, Washington Gas Light Co., AGA Chairman, heard an address by J. B. Jeming, Consultant, on the "Application of Scientific Sampling Methods to Audits."

At the General Accounting Meeting on Tuesday morning are (left to right) E. TODER, Consolidated Edison Co. of New York, Inc.; F. H. CRISSMAN, The Columbia Gas System, Inc., who presided jointly with H. W. BOOZER, Georgia Power Co.; A. W. HATCH, Ebasco Services, Inc.; PAUL GRADY, Price Waterhouse & Co.; and Mr. Boozer.

C. J. Nichols, Auditor of the Consolidated Gas Electric Light and Power Co. of Baltimore, gave an objective analysis of the responsibilities of the internal auditor. "The evolution of internal auditing," he said, "has been toward placing diminishing emphasis on the analysis of ledger accounts and examination of supporting documents and devoting increasing effort to the area of measuring the efficiency of personnel and departmental performance."

Operational audits will repay a company many times, R. T. Hansen, of the Citizens Gas and Coke Utility, stated in addressing the afternoon session. While a financial audit looks at the mathematical accuracy of a given set of figures as accumulated in an account, the operational audit examines the procedures and physical operations behind the figures. The statistics often show to the trained eye a shadow of approaching events, but they must be examined from a management viewpoint, Mr. Hansen claimed, and the question must be asked: "Is the job necessary and are we doing it the best way?"

Once the auditor has his information, he is faced with the problem of reporting it. This subject was discussed in a report made by H. R. Symes, Assistant Auditor of The Detroit Edison Co. Such reports are essential, Mr. Symes pointed out, if only because they are one of the principal means by which management determines the professional status of the internal auditor and measures the efficiency of the auditing department.

Taking "A Current Look at Frauds and Embezzlements," J. C. Meyers of the Union Electric Co. of Missouri said, "Even a casual study will reveal that the human element in any business is weak, and likely to go astray if opportunities to do so are numerous." "Internal auditing has a great psychological effect upon the employees subject to review and can be an excellent fraud preventative," he added.

A work shop panel session was held on Wednesday morning with the following as panel members: W. T. Hofstetter, The Peoples Gas Light and Coke Co.; W. L. Schoonmaker, Public Service Electric and Gas Co.; J. D. Hogan, Michigan Consolidated Gas Co.; G. A. Lee, Potomac Electric Power Co.; L. D. Brumit, Florida Power Corp., and A. I. Russak of The Cincinnati Gas & Electric Co.

Plant Accounting

The Plant Accounting session heard a report from H. T. Short, of the Citizens Gas and Coke Utility, on the "Assignment of Costs to Primary Plant Accounts and Property Records Units Through the Use of Standards." Mr. Short's procedure consists of assigning work order costs to primary plant accounts and property record units on predetermined bases which do not require detailed timekeeping and detailed segregation of initial cost media.

M. B. Romeiser, of Niagara Mohawk Power Corp., detailed the manner in which his company has simplified the accounting treatment of the items compri-

At the Accounting Employee Relations Meeting on Wednesday morning are (left to right) J. D. ELLIOTT, The Detroit Edison Co.; J. E. GLINES, Michigan Consolidated Gas Co.; J. B. MCCAHON, Philadelphia Electric Co., who presided jointly with N. W. WADE, Memphis Light, Gas and Water Division; R. W. BROWN, Niagara Mohawk Power Corp.; and Mr. Wade.

sing "outside plant or mass property."

"Clearing Work in Progress Account to Plant in Service Account on Construction Work in the Field" is a program of determining the cost of the units of property installed, according to H. M. Allen, of the Cities Service Gas Co. Mr. Allen described the program as a systematic assembly of costs, a reconciled control with the general books, and the mechanics of the clearing entry.

John W. Wendel, of the Tennessee Gas Transmission Co., presented a study of his firm's machine accounting procedure for station addition projects. An accounting coding system has been devised to facilitate accumulation of costs by projects, states, locations, building and property units, in order that plant accounting records can be used to prepare reports for the operating, engineering, tax, insurance, treasury, or other departments as required.

E. D. King, The Detroit Edison Co., EEI Chairman, and J. F. Preish, Michigan Consolidated Gas Co., AGA Chairman, presided at the Plant Accounting Committee sessions on Tuesday morning and afternoon, at which the above subjects were presented.

Taxation Accounting

The Taxation Accounting session heard an address on Tuesday morning on the subject of employee's stock options by Arthur H. Dean, of Sullivan & Cromwell.

Ira M. Avent, United Gas Corp., spoke on the subject of tax "loopholes," a label used by various pressure groups or individuals endeavoring to have the tax laws changed. Mr. Avent specifically went into the matter of depletion deductions, pointing out that if they were erased, production costs of gas, oil, and coal would rise, and utility costs dependent on the fuel factor would have to rise as well.

In combination utility companies, it is the practice to allocate taxes between utility departments on several bases, it was pointed out by S. J. Schiml, The Dayton Power & Light Co. A problem arises, however, when one of the departments shows a loss during the year and the basis for allocation is net income, Mr. Schiml said. It would seem that a tax credit should be allocated to such a department; yet the NARUC has ruled that it is not permissible to assign negative amounts to departments.

W. S. Alt, of the Union Electric Co. of Missouri, presented to the session a review of "Recent Court Decisions."

In the afternoon session a report on the amortization of emergency facilities by utilities in lieu of taking normal depreciation deductions on the estimated life of the asset was made by William H. Harrison, Jr., Potomac Electric Power Co.

J. K. Polk, of Whitman, Ransom, Coulson & Goetz, discussed "Contested Taxes—Year Deductible for Federal Tax Purposes," and R. M. Campbell of Consolidated Natural Gas Co. reported on "Joint Operating Agreements."

Presiding over the sessions was EEI Chairman L. F. Scholley, The Cleveland Electric Illuminating Co.

On Tuesday the three standing committees of the customer activities group assembled for separate luncheon meetings and continued their respective sessions into the afternoon, during which period many enlightening and thought-provoking subjects were reported.

Customer Accounting

The Customer Accounting group heard H. W. Greenhalgh, Vice President of the New England Power Ser-

At the Plant Accounting Meeting on Tuesday afternoon are (left to right) J. W. WENDEL, Tennessee Gas Transmission Co.; E. D. KING, The Detroit Edison Co., who presided jointly with J. F. PREISH, Michigan Consolidated Gas Co.; H. M. ALLEN, Cities Service Gas Co.; and Mr. Preish.

vice Co., describe the menace of creeping socialism in the industry in a talk titled: "It's Later Than You Think."

Since 1950 "Centralized vs. Decentralized Customer Accounting" has been the subject of a long-range committee project, and Allen B. Wilson, Georgia Power Co., reported on the results of a questionnaire, designed to determine those factors which should be considered and evaluated by an electric company in deciding where to locate customer accounting records and controls.

"How to Meet the Manpower Shortage" was the topic of R. A. Krauss, of The Cleveland Electric Illuminating Co. Mr. Krauss' group studied 36 utility companies and found the local labor market in 16 cases described as highly competitive. A year ago, the study had indicated such a condition in 20 of the 48 companies reported. Mr. Krauss outlined prospects for the future and the steps utilities can take to safeguard their manpower reserves.

The second and final report of a project committee on the subject of operations involved in the handling of cash was given by A. G. Neumann, Wisconsin Electric Power Co. Mr. Neumann described three separate procedures for the mechanical sorting and posting of cash and listed the factors which must be considered in evaluating such systems.

A progression plan for meter readers was outlined by G. F. Higgins of The Detroit Edison Co. A report of the Committee on Customer Accounting Methods and Equipment titled "Disconnection (Final Bill) Procedure" was presented by F. W. Phelps, of Union Electric Co. of Missouri, and E. H. Martinson, of Ebasco Services Inc.

C. B. Kull, of Central Illinois Public Service Co., stated that the committee's directory of customer accounting methods and equipment issued in 1950 had been well received and was being used by management as well as accountants in the industry. A revised directory is planned for 1953.

P. A. Leach, United Gas Corp., announced that progress was being made in the preparation of a booklet on filing equipment and methods for customer accounting.

The Customer Accounting Committee luncheon session was presided over by M. J. Walsh, Consolidated

(*Continued on next page*)

H. C. Hasbrouck Honored by Accounting Groups Upon His Retirement

IN appreciation of his long years of outstanding service to utility accounting, and his contributions, extending over a quarter of a century, to association and committee work, Henry Crane Hasbrouck, retiring EEI Accounting Director, was presented an embossed, leather-bound testimonial at the National Conference of Electric and Gas Utility Accountants' dinner session, held in the Grand Ballroom of the Commodore Hotel, New York City, on Tuesday evening, April 8. The presentation was made on behalf of the EEI and AGA Accounting Divisions by C. E. Kohlhepp, President of the Wisconsin Public Service Corp. and past chairman of the EEI Accounting Division Executive Committee.

The testimonial, which was signed by many of Mr. Hasbrouck's close associates, read in part: "The unstinting services you have rendered and the interest you have shown in our accounting work are deeply appreciated, and we sincerely regret that you are now terminating your present tenure of office."

Mr. Hasbrouck graduated from Cornell University in 1904 and, after four years as assistant to the university's registrar, joined the New York State Public Service Commission, from which he resigned in 1921 to become associated with an accounting group servicing the Associated Gas and Electric system. From 1921 to 1945, when he joined the Institute staff, he served with the system as a consulting accountant, an officer or director of numerous system companies, and a director of the Associated Gas & Electric Co. He is presently a director of the Associated General Utilities Co.

While on the Public Service Commission, Mr. Hasbrouck was a member of the Committee on Statistics and Accounts of Public Utilities of NARUC and took an active part in drafting the Uniform Classification of Accounts for Electric and Gas Utilities. For 15 years before joining the Institute, he was engaged in committee work of NELA, EEI, AGA, and the Empire State Gas and Electric Association.

Upon his retirement on May 1, Mr. Hasbrouck will be succeeded as EEI Accounting Director by Alfred E. Softy, who has been associated with the Institute since August, 1951. A graduate of New York University and a member of Phi Beta Kappa, Mr. Softy began his career in 1927 with Hodenpyl, Hardy & Co., which later became the Allied Power & Light Co. and, in 1930, was merged into The Commonwealth and Southern Corp., serving in accounting and statistical capacities with the latter firm and its service company, Commonwealth Services Inc. He was for several years a member of the EEI Statistical Committee.

H. C. HASBROUCK (right), retiring EEI Accounting Director, receives a testimonial citing him for his contributions to utility accounting and association and committee work. Making the presentation on behalf of the EEI and AGA accounting groups is C. E. KOHLHEPP, President, Wisconsin Public Service Corp.

Edison Co. of New York, Inc., EEI Chairman, and J. T. McKay, New Orleans Public Service Inc., AGA Chairman.

Customer Collections

The Customer Collections group heard an appraisal of collection letters by D. M. Arnold, of the Pennsylvania Power Co. The report, based on a study of collection letters, concluded that many letters in use today should be retailored to fit the needs of the present.

Authorized pay station practices of a cross section of utility companies were discussed by W. E. Travis of The Cleveland Electric Illuminating Co. To a certain degree, Mr. Travis found, the number of agents appointed is influenced by the number of branch offices maintained by the utility, and this in turn is dependent on geography and merchandising policy.

A report on a survey titled "Collection Follow-Up on Final Accounts" was made by G. A. Wilson, Public Service Electric and Gas Co. Wide variance exists in the procedures followed by the companies included in the study, Mr. Wilson said, and conclusions should not be reached without a careful study of the many differing elements affecting company conduct in this matter.

Hugh M. Fitzpatrick, Michigan Consolidated Gas Co., presented a study made of "not sufficient funds" checks and check differences received by utilities. He also reported on a study of agency agreements made by utilities.

R. B. Mitchell, The Peoples Gas Light and Coke Co., presided at the luncheon meeting.

Customer Relations

The Customer Relations group heard J. R. Maher, The Connecticut Light and Power Co., describe the professional approach to customer opinion surveys. Above all, Mr. Maher said, a properly conducted survey provides specific information on which the company may take action in designing its public relations activities.

The group was told by C. W. Tobey, The East Ohio Gas Co., that customer relations employees must have a set of work tools, consisting in their case of knowledge and proper training. In customer relations work, he said, the attitude of the employee and the proper use of discretionary powers are the signs of a proper toolkit and a good organization.

Last Call!

MAY 12, 1952, IS THE DEADLINE

for entry in the

Reddy Kilowatt Annual Report Contest

Consider the new opportunities offered in the 1952 Reddy Kilowatt Annual Report Contest. This year, in addition to the Grand Award, a Certificate of Honorable Mention will be presented in each of four meter classifications.

This is a last-call reminder. Be sure to submit your company's Annual Report in time to meet the May 12 deadline.

Send your entry to:

REDDY KILOWATT SERVICE

50 CHURCH STREET NEW YORK 7, N. Y.

"Ninety-Nine Ways to Improve Customer Relations" was the title of a report presented by S. A. Cole, New York State Electric & Gas Corp. The study brings up to date the work of a 1936 subcommittee which reported on a similar project, and includes a selection of papers and reports over the past 30 years dealing with improvement of customer relations.

The problems which have a distinct bearing on company-customer relationships were the subject of a report presented by W. H. Ferguson, of Duquesne Light Co. Mr. Ferguson covered service connections, range and water heater connections, restrictions, inspections, and tests.

T. J. Peterson of The Detroit Edison Co., presided at the Customer Relations luncheon meeting.

Depreciation Accounting

The Depreciation Accounting session heard Arthur H. Kuhn, of the Pioneer Service & Engineering Co., say that the confusion and misunderstanding that has dogged the subject of utility depreciation can be avoided if the principles of "value" and accounting for "cost" are kept clearly in mind. "As depreciation accounting studies are made from time to time," Mr. Kuhn said, "it must be borne in mind that such studies are based on current available statistical facts coupled with engineering analysis, judgment, and forecasts of future probabilities, and it would be a rare coincidence if the results were identical with the accounting records."

Weldon Powell, of Haskins and Sells, made some observations as a public accountant about the certification of depreciation. "For some years now nearly every utility has been providing currently amounts which would satisfy depreciation requirements even if they do not purport to do so," he said. "In some cases the provision has exceeded the requirements of even the most conservative (straight-line) basis, the intent being to build up an existing reserve accumulated on a retirement basis."

B. A. Morse, of the Southern California Edison Co., addressed the meeting on recent developments in depreciation practices in California. M. R. Scharff, Consultant, reviewed what the courts and commissions said about depreciation in 1951.

G. T. Logan, Philadelphia Electric Co., EEI Chairman, presided at the meeting.

On Wednesday morning the plant accounting and depreciation accounting groups held a joint session to discuss mutual problems, with the respective committee chairmen presiding.

The forum was conducted in panel form, with H. R. Flanegan, Philadelphia Electric Co., serving as moderator. Plant Accounting members of the panel included: W. G. Pilgrim, The Peoples Gas Light and Coke Co.; E. S. Higgins, Washington Gas Light Co.; A. L. Davies, West Penn Power Co.; L. W. Robinson, Consumers Power Co. Depreciation Accounting members of the panel included: Alex. E. Bauhan, Pub-

(*Continued on page 141*)

Socialism as a Competitor

By George M. Gadsby

President, Edison Electric Institute, and President, Utah Power & Light Company

An address before the 18th Annual EEI Sales Conference, Chicago, Ill., April 3, 1952

WITH the attainment of almost complete availability to the occupied farms, our industry has become the most universal agency of service in the nation. While it is gratifying to have reached this high level of coverage, let us realize the great responsibility placed upon us by reason of the intimate and universal dependence upon electric service by all the people, literally in every phase of their existence.

For 18 years the Sales Conference has been one of the very important Institute functions, and I presume some of you either have a record of 100 per cent attendance or were at some of the very early meetings. Each year you have been confronted with new conditions, new opportunities, and perhaps new difficulties.

Breakup of Holding Company Systems

The complexion of our industry has changed a great deal since the first Conference in 1935. That was the year the Utility Holding Company Act was passed and marked the beginning of the breakup of the holding company systems, cutting loose operating companies all across the country from their long-established financing and policy-shaping sources.

The bad effect in the public mind of the pyramid holding company financial structures, which resulted in serious injury to investors large and small when the collapse came, made possible the setting up of a political background against which the advocates of socialized power were able to paint a dark picture of the utility industry and an enticing mirage of a great nationalized power system.

Nationalized Power

You have all heard many times how the complete pattern for such a system was conceived and published by avowed socialists in the Twenties, and how step by step that pattern has been followed until today one-fifth of all the power produced comes from Federal sources. The early pretext of "incidental power" has been cast aside and the Federal government, through the Department of the Interior, is now openly and directly in the power business, determined to establish the greatest and one of the most politically powerful monopolies ever conceived in a free country.

The spread of Federal ownership and operation of electric power systems for supplying the public has all the coloration of socialism. Recently we have seen a determined effort by the Secretary of the Interior and his nationalized power associates to avoid this label—even getting the help of the President. However, letters from the President and speeches by the Secretary cannot change facts nor alter definitions. A federalized power system which is neither incidental to nor a secondary objective of other constitutional functions is tantamount to socialism just as much as was the complete taking over of the industry in Great Britain. The steps by which this has been and is being accomplished are adroit and subtle. For some years the firing was from behind hedges and back of smoke screens. Now it is out in the open, and that fact may make resistance by proponents of our American free enterprise system somewhat more effective.

Competition in Field of Public Opinion

The competition indicated in my title is not the actual competition in the sales field, as Federal power systems brook no competition; wherever they are established, as in the TVA territory, the investor-owned companies are liquidated. No, the competition to which I refer is in the field of public opinion, which will finally determine the outcome in this great contest between a socialized system with unregulated power flowing from a political party in Washington and an investor-owned system regulated by local utility commissions responsive to the people served.

Let me call attention to significant actions in the broad field of this struggle. The Hells Canyon Project in Idaho and the Niagara River Redevelopment Project both relate only to the generation of electric power. Neither can claim primary constitutional justification, such as interstate commerce, navigation, flood control, soil conservation, or other pegs of non-reimbursable functions upon which the Federal agencies have heretofore quite successfully depended for getting into the power business. In both instances investor-owned companies are prepared, without reaching into the pocket of taxpayers, to develop the power cheaper, more quickly, and with better overall planning than is contemplated by the Federal government planners. Either or both of these projects would tie into the nationalized power system, and hence Congress is being pressed to authorize the work and make initial appropriations which will preclude the development by investor capital.

Socialism Rampant

The Kings River development in California by the Pacific Gas and Electric Co. and the Roanoke Rapids plant in Virginia on which the Virginia Electric and Power Co. has actually started work are being vigorously contested by the Secretary of the Interior on the ground that sometime in the future the Federal government expects to put power plants on these streams and the investor-owned companies have no business building plants which may interfere with the plans of the Department. As clearly stated by the Secretary in connection with the Roanoke Rapids case, construction by the Virginia Electric and Power Co. would constitute it a competitor with the Federal government in the sale of power. This is not only socialism, but socialism rampant, inasmuch as it is an attempt to use the power of government to prevent investment of funds by American citizens in a proprietary enterprise which they are fully qualified by experience and financial ability to carry forward.

Electric Company Weaknesses

The question may be in your mind, as it often has been in mine, how our industry, well engineered, adequately constructed, and efficiently operated in the public interest can have failed to have the backing of public opinion favorable enough to make impossible its so-

cialization. Reviewing the past years, we find the most expert exploitation of our every weakness. Facing them frankly, some of these are:

The financial pyramiding and collapse of the holding companies during the 1920's

Lack of unity in the industry

Paucity of advertising and public information appropriations

Failure to convince the public that regulated company operation is beneficial for the people themselves.

Public Power Tactics

On the other hand, as we review the tactics of the public power group we find:

Evasion as to real objectives in promoting legislation

Irresponsible cost estimates submitted to Congress for project authorization

Development of subsidies in various and devious forms

Tax exemption favors

Credit favors using taxpayers' money

An administration out of sympathy with not only the utility industry but many of the basic principles of all business.

These make pretty tough competition.

"Something for Nothing"

We all know that the actual cost of electric service is an extremely small part of industrial costs and the home budget. Last year electricity represented one and one-eighth cents out of the dollar value of goods and services produced and but seven-eighths of a cent per dollar of personal income. Yet "cheap government power" has been an effective shibboleth of the Washington planners. How many times we have seen the statement that the billions of taxpayers' money which these planners would pour into Federal power projects are necessary to produce "cheap power" for development of mineral resources. The one great fact which is never brought out is that the cheap pricing of government power rests on tax exemption and in many reclamation developments the use of the so-called interest component by the Bureau itself rather than the payment of interest into the United States Treasury. By this accounting the taxpayer must shoulder the interest charge on the government bonds sold to finance the multi-purpose projects. Even if interest be paid into the Federal treasury the simultaneous withdrawal from the treasury through the appropriation route pales into insignificance the amount of the interest payment. However, we must admit this "something for nothing" promise has been very effective with a large segment, even a majority, of the people. The failure of the utility industry and business generally to show this up for what it is has been one of our weaknesses.

Let's examine more closely the artifices used in government-sponsored public power. To list a few:

The use of unspent appropriations for unauthorized purposes even in direct contradiction to the expressed will of the Congress, as for example, the start on the Columbia Valley-California intertie line. The Department of the Interior has yet to submit to the Congress the required explanation for this expenditure, and perhaps with Mr. Warne now in Iran, a first-hand explanation would be quite difficult.

Misrepresentation of Cost Estimates

The misrepresentation of cost estimates which, if used in the planning of private business, would bring bankruptcy. In a recent paper, C. W. Mayott, a natural resources consultant who is very familiar with the whole power situation, shows that 23 Federal projects with which we are familiar were originally authorized on estimates totalling $1.074 billion, and the latest estimates presented to Congress for the completion of these identical projects is $3.620 billion, an increase of 230 per cent, which cannot be explained away by inflation or change of plans, nor is it possible to think that the engineers employed by the departments could make such huge mistakes in every one of them. The conclusion is inevitable that the underestimates when the original authorizations were made were deliberate.

The use of revolving funds for unauthorized construction, until this was recently stopped by Congress.

The use of funds from appropriations for REA in the Department of Agriculture to build power plants and transmission lines for power authorities set up in the Department of the Interior amounting to over $100,000,000.

The setting up of super-cooperatives under the auspices of the public power group far beyond the authority conferred by the Rural Electrification Act and inconsistent with its purposes.

The distorted interpretation of the preferences clauses in the disposal of electric power from multi-purpose projects, one of the most potent means for promoting the socialist scheme.

The use of basin accounts where valley authorities have not been approved.

Finally, the attempted pre-emption of entire river basins for future nationalized power development to the exclusion of investor-owned companies.

Skillful Artifices

Skillfully manipulated, these artifices have been presented to the people in most attractive form. Santa Claus and a spigot in the United States Treasury are indeed tough competition.

These developments of the past two decades have now run up against a barrier more formidable than anything we as an industry have been able to interpose. This is the mounting national debt and the crushing load of taxation. People are coming to realize that the Federal government can give nothing. All it can do is take away from taxpayers in one part of the country and spend for the benefit of a privileged few in another. Economically the government produces nothing. Government operations in the field of business are accompanied by inefficiency, waste, delay, and grievous inequities between groups of taxpayers and American citizens.

Need for Factual Presentation

The Congress is cognizant of these things and is wisely refusing to permit "new starts" in socialism. Our big job is to make a more effective factual presentation to the people in our own service areas. Power industry organizations offer the means for the dissemination of information and merit support by every investor-owned company. The operation of these agencies is handled without overlapping in time, functions, or expense. Efforts in their respective fields are coordinated through monthly meetings of the agency representatives and quarterly meetings of executives of the supporting companies who head the industry organizations.

Our industry has a magnificent record of accomplishment. It has never planned

(*Continued on page 136*)

A Balanced Electric Company Sales Program

By Walter H. Sammis

President, Ohio Edison Company

An address before the 18th Annual EEI Sales Conference, Chicago, Ill., April 2, 1952

A BALANCED electric company sales program is one that recognizes that the welfare of an individual company is interwoven with the welfare of the area in which it does business. If the territory served improves, the company should improve. If the company assists in improving the standard of living and happiness of the people in the territory, the company's public relations should improve and its own condition should become healthier. What is good for the area is good for the company.

This approach, it seems to me, is fundamental to the success of our business, but I am afraid it may have been overlooked in the ease with which postwar sales records have been achieved.

Before going further, let's take a look at some of the problems confronting the electric industry and the individual company. Inflation has been going on for years with its ups and downs, but with the general trend being upward. During the past decade inflation has been most rapid, so rapid in fact that the growth of the electric industry, together with its technological advances, has no longer been able to offset increases in operating expenses and taxes. This has necessitated, in the last few years and at the present time, increases in the price of electric service.

The electric industry can well be proud that the price of its service over a period of years has followed a downward trend, the price per kilowatthour decreasing from 2.06 cents for 1940 for all classes of service to 1.77 cents for 1951. This is a reduction of 14 per cent as compared with a cost of living increase of 85 per cent during the same period.

The decrease in the average price paid for all residential electricity since 1940 is 27 per cent, as compared with this increase of 85 per cent in the cost of living (Fig. 1). Fig. 2 tells the same story with a different approach, using the value of the residential customer's dollar. A dollar spent by a housekeeper today will buy only 54 per cent of what it would buy in 1940 in general cost of living, whereas the dollar spent for residential electricity in 1951 would have required $1.36 in 1940.

The purchasing value of the manufacturer's dollar tells a similar story about the price of electricity (Fig. 3). A dollar spent by the manufacturer today for factory labor will buy only about 40 per cent of what it would in 1939 and for raw materials only about 30 per cent. In contrast, the dollar spent for industrial electricity in 1951 would have required $1.12 in 1939.

The electric industry is one of the few industries, if not the only one, which has contributed in this manner to the general welfare of the country. The rapid growth of the industry, the technological advances in the art, and the decreasing cost of money have been major factors contributing to this situation. The operating revenues of electric companies were 118 per cent greater in 1951 than in 1940. However, the increase in operating revenues of 118 per cent was accompanied by a 174 per cent increase in operating expenses (Fig. 4) which, of course, is a disturbing situation.

Taxes, including Federal taxes on income, constitute the largest item of electric company expense. Electric companies pay 23 cents of every dollar of gross revenue for taxes, as compared with 20.4 per cent for payrolls, the next largest item. This is an unusually heavy burden as compared with other industries. The major portion of the utility's taxes, namely 14.5 cents, goes to the Federal government. In fact, for the first nine months of 1951 Federal income taxes of the electric companies amounted to 12 per cent of their operating revenues, as compared with approximately 7 per cent for all manufacturing corporations. (Full year comparative figures are not yet available.)

The cost of money (Fig. 5), however,

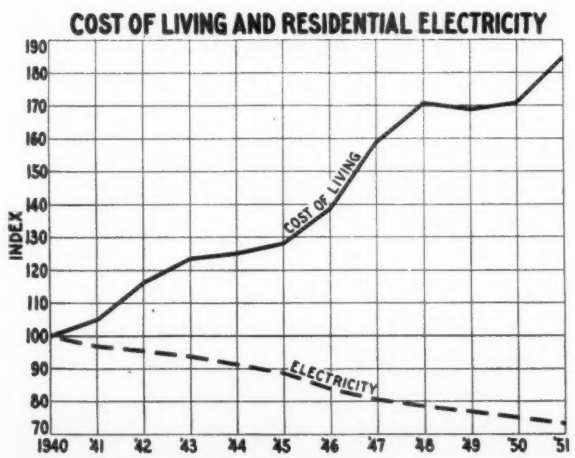
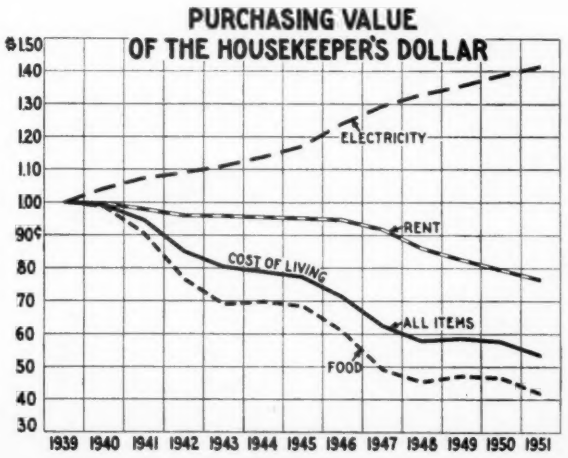


Figure 1



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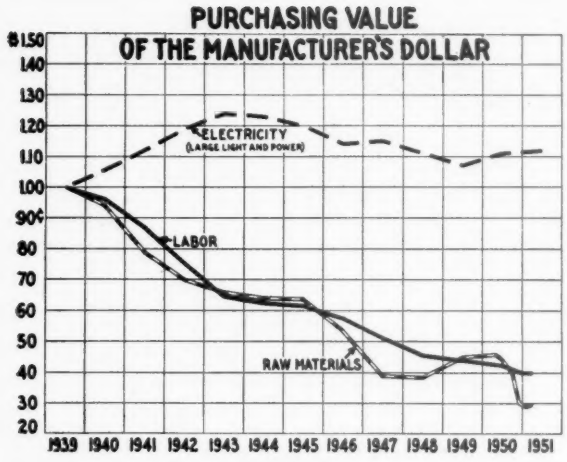

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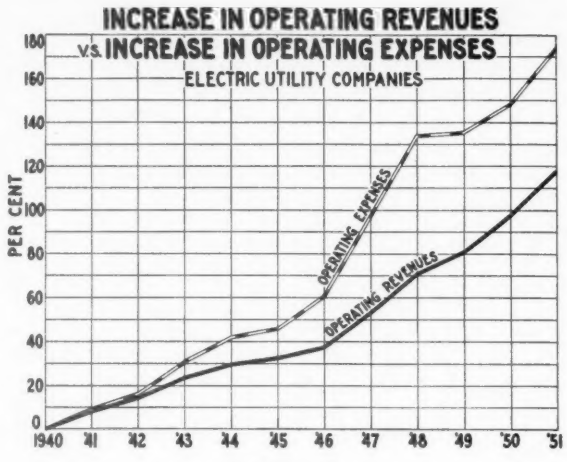


Figure 4

over the years has declined. This is a paradoxical situation, in that prices of products and wages to individuals have increased materially, whereas the rate paid for the use of money has decreased. The low cost of money has been most helpful to the electric industry, which requires large amounts of capital investment per dollar of operating revenue, much larger proportionately than for other industries.

A little over a year ago, however, the trend in the cost of money sharply turned around. As you undoubtedly know, the Federal government's bond programs set the basic standard for the return on money invested, and whether or not the government will continue to permit this increase to remain or the trend to continue is anybody's guess.

This rise in cost of money presents another problem to electric light and power companies, which continually require large amounts of additional investment money to carry on their large expansion programs (Fig. 6) to provide for the increased requirements of present customers and the needs of new customers. In order to obtain additional investment money it is necessary to sell securities to the public. In order to sell securities, electric companies must provide suitable times earnings ratios in connection with bonds and preferred stocks and must have earnings for common stock sufficient to attract capital, the owners of which seek not only a favorable return but a stability commensurate with that return.

What is the answer to these problems? As I see the picture, electric companies must do everything in their power to operate as economically as possible, taking advantage of all technological progress, not only in engineering but also in office mechanization and in every other available way. I am confident, however, that such improvements in efficiencies and economies alone will not produce the desired and necessary result; so we must look further. The only two remaining possibilities are increasing our business so as to increase our net and increasing the price of our service, both of which, in my opinion, will be necessary.

When it comes to increasing the volume of our business, there is no question but that the sales departments of the electric companies have done an excellent job, as evidenced by the industry's growth in operating revenues.

But where do we go from here? As I previously mentioned, the welfare of the electric company is interwoven with the welfare of the area in which it does business. Therefore, in order to help ourselves it becomes our duty to participate in, and in some cases to inaugurate, civic programs that are the best for the

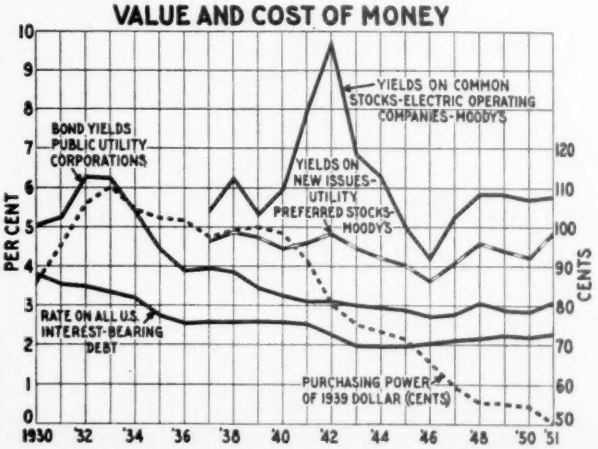
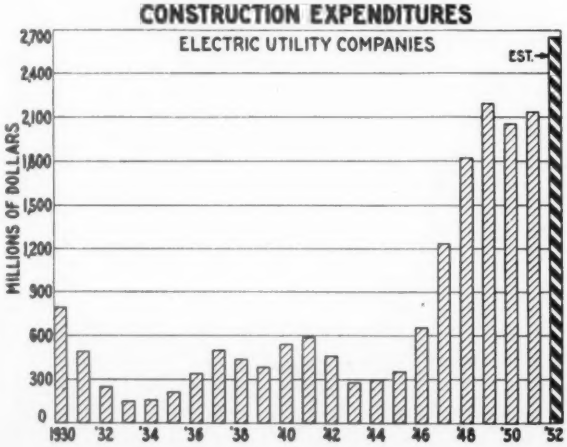


Figure 5



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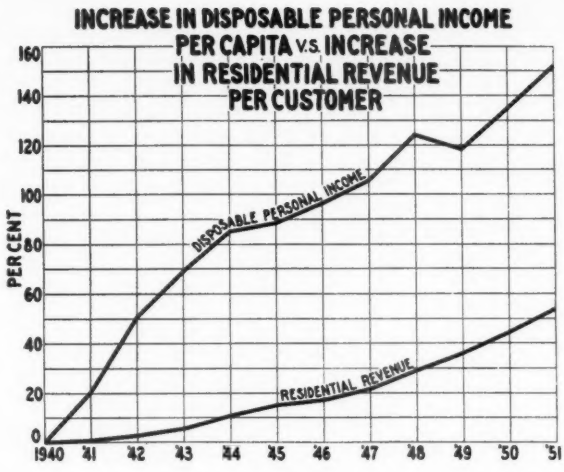

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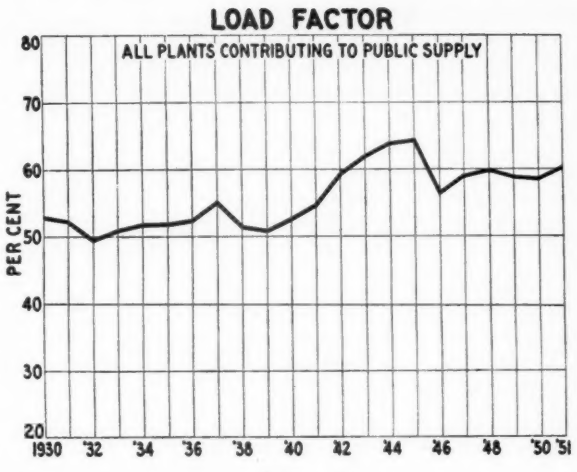

Figure 8

greatest number. Our representatives must be ever mindful of the potentialities of the territory, which involve availability of raw materials and purchasing power for finished products, endeavoring where possible to extend diversity so that a community does not become predominantly a one-industry town, thus avoiding possible unfortunate repercussions that sometimes occur to a single industry as compared with the overall national business economy.

Again, people cannot work 24 hours a day; recreation facilities play an important role in the people's happiness and, of course, educational facilities, hospitals, etc., cannot be overlooked.

The electric company and its employees as individuals should do more than just be citizens. Each should endeavor to make the area a better place in which to live and work. The sales organization can be effective in furthering such a program.

What can we do to assist our residential customers? The increase in residential sales per residential customer has been 110 per cent for the 11-year period. This increased use of electricity has given the housewife more time for outside activities and has brought more comfort, convenience, and entertainment into the home. When we look at the record from another viewpoint, however, we find that the residential revenue per residential customer has increased only 54 per cent, while the disposable personal income per capita remaining to persons after deductions of personal tax and other payments to general government, as reported by the U. S. Department of Commerce, has increased 152 per cent (Fig. 7). From this it is apparent that in 1951 the electric industry obtained a lower percentage of the per capita income than in 1940. This indicates that managements are not unreasonable in expecting considerably more revenue from the residential customer and at the same time providing further conveniences, advantages, and economies.

How can we help our commercial customers? The increase in small light and power sales per customer, which are basically commercial, has been 97 per cent for the 11-year period. The shopping area of a community gives an indication of the prosperity of a community and, if made attractive both as to appearance of merchandise sold and the comfort and surroundings of the buyer when making his selections, the customer is likely to do more shopping at home instead of perhaps in some distant city or through catalogs. Such evidences of a progressive community also tend to attract desirable new industry to the area. Commercial sales representatives have the know-how and should contribute their share in the interest of both merchants and the company.

Coming now to our industrial customers, the sale of electricity to industry continues to offer a fertile field for expansion. In the 11 years, 1940 to 1951, the increase per customer in large light and power sales, which are basically industrial, has been 99 per cent. In 1940 power purchased from the electric companies by industry represented 1.4 per cent of the value of manufactured products, while for 1951 it is estimated at .60 per cent. Our percentage of the value of the manufactured product has decreased, and the differential leaves us considerable leeway to help the manufacturer increase his production with less man-hour requirements, particularly important at this time in view of the defense program, and reduce his unit costs, so necessary to offset increased expenses and taxes. Alert industrial sales representatives can assist establishments, particularly the smaller ones, in so-called industrial engineering such as minimizing the number of processes and length of travel, and in methods improvements, which are not always obvious to one close to the job but can often be seen by one not so close to the operations. While the industrial representative should always be on the lookout for new applications, it is equally important that he do everything possible to help the individual manufacturers in his area to lower their break-even points and thereby improve their competitive position. It is the low-cost plants that keep operating year in and year out.

I understand that in September the electric industry is planning to observe "Power for Freedom Week," which will afford an excellent opportunity for the industry to tie in with other industry groups in bringing to public attention what adequate electric power and industrial production have done to preserve our American freedom.

The farm is an enormous potential for increased business, as it combines both a residence and a business. The first phase of rural electrification, namely the bringing of electricity to the farmers of America, is practically completed. Eighty-seven per cent of the nation's farms are now supplied with electricity

and service is available to a good percentage of the remaining farms, when and if their occupants elect to take it. Last summer many utilities called public attention to this record of progress during "Farm Electrification Week," initiated by PIP (Public Information Program). In my opinion, those utilities which did not participate overlooked a bet, for this record is an achievement of which we in the electric business, who have been pioneers in farm electrification, can well be proud.

Today farm homes enjoy many of the electric conveniences and labor-saving devices found in city homes. In the application of electricity to the business of farming, however, unlimited opportunities present themselves. American farmers are being called upon by the Department of Argiculture in connection with the defense program to increase total agricultural production in 1952 to a new record level—somewhere near 50 per cent higher than the nation's annual farm output in the years before World War II. With a declining supply of farm labor, farmers must rely even more on electrical equipment. Our farm service representatives have a wonderful opportunity to help the farmer achieve greater and more profitable farm production, as well as to assist the company by keeping down peak demand and increasing the hours' use through research and proper applications of electrified equipment.

The promotion of one type of load in some instances may result in accompanying increases in other types of load. For example, if the street lighting intensity in the main business area of a community is increased, it will undoubtedly stimulate merchants to increase the lighting intensity in show windows and probably in their store interiors, thereby improving the general appearance and increasing the sales volume of the entire shopping area. Again, the location of a new industry in a community, or the expansion of an existing industry, will bring not only increased industrial sales but more residential customers as a result of greater employment and increased payrolls and this, in turn, will be accompanied by increased commercial business activity.

The program of an electric company sales department should not be limited to the activities of direct selling, but should include such activities as assisting manufacturers, distributors, and dealers of electricity-consuming appliances and equipment in the promotion of their products; colleges, farm organizations, rural electric cooperatives, and others in their programs to better living conditions and increase farm production; and safety programs to reduce accidents through more adequate illumination, etc.

Load factor is another important item that our sales organization should consider. During war periods load factor increases because of more two- and three-shift operations and during recessions it drops, but the long-time trend has been upward (Fig. 8). Attention should be given to the load characteristics of particular appliances and equipment, and sales emphasis should be placed on those items which complement the existing load curves and improve the load factor. Off-peak loads, whether in residences, stores or in industry, improve load factor and most electric companies design their rate schedules so that lower prices are made available to attract off-peak business.

In this connection it is well to keep in mind that the turnover of gross sales to total assets in the electric industry is only once in every four years, whereas for all manufacturing as a group it is once every eight months. With utility construction programs as unprecedented in size as they are today, it is important that sales effort be so directed as to obtain the maximum revenue with the minimum capital expenditures. In order to accomplish this, an analysis of the company's physical facilities should be made with a view to determining the particular locations where additional load is most desirable. Good selling always involves obtaining additional business, which keeps to a minimum the new investment required in physical facilities.

There is another way in which the sales organization can do a job for the company and for the industry, and that is in calling attention in their daily contacts and in talks before civic groups to the constantly increasing inroads being made by the Federal government into the electric power business. Today over 20 per cent of the nation's generating capacity is Federally owned or financed, as compared with less than 7 per cent 20 years ago. It is the obligation of all of us to see that the public is constantly kept aware of the advantages accruing to our economy through business management of the electric industry, and in fact of all industry.

The preceding comments serve to illustrate that the sales department of an electric company can do much to help this picture. It should analyze the situation with respect to the area served and its electric company and plan efficient sales activities, placing the emphasis where the results will be most beneficial to the welfare of the area and, in turn, most beneficial to the company. Such a program, incorporating the best possible service at the lowest possible price, is, in my opinion, a balanced sales program.

Douglas C. Stewart

DOUGLAS C. STEWART, Safety Supervisor for the Niagara Mohawk Power Corp., died on April 5 in the General Hospital, Buffalo, after a brief illness. He was 54 years of age.

A native of Carlyle, Ont., Mr. Stewart attended Hamilton Collegiate Institute and was graduated from Massachusetts Institute of Technology in 1922 with a B.S. in electrical engineering. Upon graduation, he joined a predecessor company of Niagara Mohawk Power's western division, the Niagara Lockport & Ontario Power Co. as draftsman and a year later became chief draftsman. He was named engineering assistant in 1925 and in 1928 was appointed a designer of transmission lines and substations for NL&O and other western division companies of the Niagara Mohawk system.

In 1940 he was engaged to make a survey of accident prevention problems in the Buffalo distribution department of the company and, as a result of this study, was made safety supervisor for the western division. One year later he was named supervisor of safety for the entire Niagara Mohawk system.

Active in Institute affairs, he had served as a member of the Accident Prevention Committee and was committee chairman from 1945-47. A member and secretary of the Public Utility Section of the National Safety Council, he was also the American Gas Association's representative to the American Standards Association and chairman of the AGA Statistics Subcommittee.

Competitions Affecting Industry—Productive and Destructive

By Charles E. Oakes

President, Pennsylvania Power & Light Company

An address before the National Conference of Electric and Gas Utility Accountants, New York, N. Y., April 7, 1952

TODAY we are at one of the great crossroads of history. The task we face involves the preservation of what Lincoln so accurately called the "last best hope of the world." The task is not easy. But it is an exciting one and it can be done.

In this critical struggle for the soul of man, the great industrial strength of America looms large in importance. In an atmosphere of international tension it seems vitally necessary that you and I and every other responsible person in industry realize the need to preserve our productive abilities. To do so we must also maintain in operation the economic principles which produced for us this American industrial empire. What are these? They are the great driving forces of initiative and competition.

Our forebears wisely recognized these forces. They knew that a society that was to be increasingly productive required that the individual should be free to exercise his initiative. But they also recognized that to make full use of the people's creative abilities there must be the opportunity for competition.

The Coin of Progress

We may say that initiative and competition are the two sides of the coin of progress. They are both essential and one cannot long exist without the other, nor can material progress be made without them. Though they are so intimately related, I wish today to discuss principally competition, particularly as it relates to the utility industry.

Spurred by individual initiative, America's competitive business system has done an unparalleled job in providing more and better goods and services at prices the consumer can afford than any other system. Competition is the red blood of our economic being. As competition is destroyed or weakened from whatever cause, our whole economy becomes anemic and its vitality is impaired. Therefore, if our economy is to remain strong, and if we are to continue to progress as a nation, competition must continue to exist as an essential part of our philosophy.

To be sure that the opposing forces in our competitive system played the game fairly, we have had to set down in our legal structure rules of the game. We are familiar with the Sherman Anti-Trust law, enacted for the primary purpose of preserving effective competition and to protect our economy from the evils of monopoly and restraint of trade. And on the other hand, early in the history of our utility business, we found that unbridled competition caused economic loss to our customers and investors; hence, the limitation of our earnings by legal processes as the price of eliminating competition between ourselves became an accepted principle.

However, the legal limitations under which public utility service is generally supplied have been responsible for the public thinking of us as free from competition. Of course, we know this is true only in a most limited sense. As public utilities we are subject to competition from many directions.

In the sales field, these competitive forces are not unpleasant. In this group is the healthy competition between gas and electric systems for many uses of service which either can supply, and the customer may choose. Also in this group is the competition between electricity, gas, and oil in industrial heating processes. And not so prevalent now, but again over the horizon, is competition with the private power plant. Such forms of competition are a great productive force, and they have a healthy influence on our economic body.

Let us review for a moment competition in the sales field which we must be prepared to meet as responsible businessmen.

It takes but a moment's thought to realize that the privately owned utility companies are in direct competition with every other industry for the consumer's dollar. In a free economy such as ours, the consumer is king—he decides how and for what he will spend his money. The day after March 15 he may have his doubts that there is any left to spend on consumer goods, but at least with what's left he still has a choice on whether to buy a TV set, a new range, a new automobile, or a new dress for his wife. To channel these purchases into the field of utility appliances in the home is the work of the sales department. Both the gas and electric industry have been making records in this field, but the warning flag is up.

The production potential of this nation has doubled since 1940, and when the pressure of the flow of materials into war production is released, more raw materials will be channeled into civilian production, and the buyer will have his field day. And then our sales forces will begin to realize that the tide of the competitive battle will go to the strong. The answer: strengthen your sales force now. Sales budgets should make ample provision for sales promotions, particularly long-term. For example, the high school girl of today will be the housewife of tomorrow. Is she being taught now to use modern appliances? What of the rural and farm load—mass promotions are paying off now in many companies and building friends for the future. In the industrial field, it might pay off two or three years hence if we dusted off the old manual on diesel engine competition.

Mainspring of American Production

It is competition of this nature that has been the mainspring driving the productive facilities of America, bringing forth an astounding flow of goods and improving the material standard of living. I have my doubts whether ethical standards are affected thereby. Certainly every responsible leader of industry who is concerned with preserving the vitality of America wants to see competition of this sort continued, for the struggle to excel produces progress. I leave this subject of competition in the sales field with the thought that competition for the consumer's dollar will increase, and to those of us who have

a hard-hitting sales organization will go the satisfaction of ever-increasing sales records.

Now let us explore other fields of competition as they affect our industry. These may be divided into two general classes: (1) the impact of economic forces on our industry; and (2) social or ideological ideas thrust upon the nation which will cripple or destroy our industry.

In the first category we can name such subjects as:

a. Necessity for rate increases arising from the inflationary pressures of increasing wage and commodity price levels and increasing taxes.

b. Competition in the investment markets for funds which our industry needs to accomplish its expansion program.

c. The nation's tax structure in relation to the fiscal health of the country and of our industry.

In the second category we, of course, have:

a. Socialization of our industry, particularly at the Federal level.

b. Undermining of the American economic system.

Any one of these subjects could occupy the time allotted to me. My reference to them will be from the point of view of offering a suggestion or two on how to meet them.

Necessity for Rate Increases

Consider first the necessity for rate increases. How to overcome the inflationary processes which have caused operating expenses to increase is the problem with which we are all wrestling. The record the industry has made in largely meeting this problem thus far is nothing less than amazing. No little credit must go to our operating and engineering and sales forces. Both the gas and electric industry have accomplished savings in operating expenses which have gone far to overcome the doubling of commodity and wage and tax levels. We are, however, approaching the end of this road and we must embark on rate increases to find the answer.

Rate increases are the order of the day and are necessary if the industry fulfills its trust to the investor in maintaining the integrity of the capital he has invested, and if we are to fulfill our obligation to our customers to provide all the service they need when they demand it. Net earnings must be at a sufficient level to attract equity investors when we find it necessary to place our securities on the market. Here we encounter again the competition of all other industry for that same investor's dollar. In 1951 expenditures for new plant and equipment by the nation's industries exceeded the astounding total of 23 billion dollars. The Department of Commerce figures just released predict that more than 24 billion dollars are planned for new plant and equipment in 1952, of which nearly four billion dollars will be spent by electric and gas utilities.

Competition for Investor's Dollar

In 1951 the gross proceeds from the sale of new common and preferred stocks for all corporations totalled 2.1 billion dollars, of which the electric, gas, and water utilities accounted for 35 per cent. This is competition for the investor's dollar with a vengeance—competition which we may expect to prevail for some years ahead. Note that the utility industry with a gross of only one-thirtieth of all industry must provide funds for constructing one-sixth of all plant, and to do so must call on equity investors for one-third of available equity funds each year. This is competition compounded.

What has our competition to offer? Compared with industrials, our postwar record has not been good. Utility common stocks have not shown the increases in dollar values that industrials have shown, which would be required if the shrinkage of the dollar is to be offset. Many industrials have largely expanded their plant out of earnings. It has been necessary for the utility industry to secure at least two-thirds of its new money requirements from investors. Industrials have shown large increases in earnings per share, dividends per share, and in book equity per share. On the whole this cannot be said of regulated utility stocks. This is the adverse side of the competition for the investor's dollar. However, we have good selling points.

Stability of Electric Company Stocks

The utilities have a long and favorable record of stability of earnings. As we move away from the war inflation economy, this factor will become more and more apparent to investors. In fact, there now seems to be a movement away from industrial stocks to utility stocks.

Another selling point, considering the long term, is the fact that our balance sheets now show the most conservative figure for plant of any industry in the country. We record our plant by government order at original cost to original owner. In most cases this is less than the cash outlay to present owners. There are solid property values behind utility equity securities.

However, with personal savings in 1951 of over 17 billion dollars and with the nation's mutual savings banks reporting a record deposit figure of over 12 billion dollars, money for investment purposes would seem to be in ample supply.

The maintenance of net earnings as we expand our capital account is necessary to attract capital. In many cases this means an increase in rates. If rate cases are to be won, a thorough and complete job in the preparation and presentation of the case is essential. All the basic information must come from our accounting departments. A thorough documentation of plant account, of income and expenses, and of depreciation is vital. In our presentations of rate cases, the accountant must realize that the debasement of the dollar has brought into clear focus the great conflict between original cost and fair value concepts as the basis for rate making.

Emphasis on Present Values

In the presentation of rate cases, more and more emphasis should be put on the weight of value and the necessity to set up rates of return and allowable rate bases on the basis of presentday value, so that when this is translated into earnings per share, the buying power of the investor's dollar is expressed in today's values rather than in prewar values. This may be difficult in many cases in those states which have rather fixed regulatory formulae and standards. It is incumbent on the utility managements, however, to preach the principle that investors in utility equities are entitled to the same purchasing power that investors in other industries obtain. There is no better place to do it than in the presentation of a well-documented rate case by competent men in the field of finance, economics, and accounting.

Many cases are now before our commissions where a complete presentation on rate base, rate of return, and allowable operating expense, including depreciation, is required. An interchange of information on methods and scope of presentation would be extremely desirable. Exhibits and testimony transcripts properly indexed could be lodged at EEI headquarters for study. We for

one would be glad to cooperate in this direction.

The regulatory commissions, too, are alert to their responsibilties in recognizing the need for sufficient net revenues to attract capital. They welcome a full and complete presentation of a rate case. John Hessey, Chairman of the Maryland Public Service Commission, speaking for the National Association of Railroad and Utilities Commissioners in an appearance before Congressional finance committees, had this to say on the need for adequate earnings of the regulated utilities:

> This vital need is not merely a matter of logic or justice . . . it is necessary if they are to do the work that they have to do, that the commission allow them to earn a rate of return which will support the money that they have to secure either by way of debt capital or equity capital.

And again—

> The Commissions are required by law to allow all regulated utilities a fair return on the fair value of their property . . . and if it is taken away by taxes we have to increase the rates so that the corporation can receive the money with which to pay the taxes.

I think you will agree that these are plain statements. They are significant evidences of the constructive view which responsible people on the regulatory side of the fence are taking of the broad effect on the utility business of inflationary processes and of the severe increase in taxes which has been taking place.

Tax Structure and Fiscal Health

Let us now turn to the subject of the nation's tax structure in relation to the fiscal health of the country. The country's present tax structure is a hodgepodge which has arisen by a compromise of competitive ideas. It is the result of pressures by various segments of our population: agriculture, labor, industrial groups, the individual taxpayer — the many who have small incomes versus the few who have large incomes. It is right and proper under our democratic form that the ideas of everyone should be taken into consideration by those responsible for the determination of tax policies. There is imperative need, however, that the nation adopt a tax policy which, while raising revenues adequate to meet necessary public expenditures, is not at the same time unduly restrictive or discriminatory, and permits the maximum exercise of incentives. The present tax structure meets only one of these standards; it raises the revenue. I think we as an industry and as individuals should be guided by sound principles and be articulate in advocating them.

Now let us examine the present tax policy. More than 70 per cent of Federal receipts in fiscal 1951 were derived from income taxes. In fiscal 1953 they are expected to be over 80 per cent. Thus, these tax receipts depend very largely on the maintenance of earnings of industry and individuals. Rising wage and commodity prices have moved operating costs up, and break-even percentages and operating ratios are much higher than prevailed before the war. Federal income tax rates are so great a proportion of total expenses that business has had no alternative but to translate these tax dollars into selling prices. The impact of this translation varies industry by industry. In an industry such as ours where fixed charges are a substantial part of our revenue dollar, taxes have become a higher percentage of the revenue dollar than in any other industry. For example, the electric utilities pay four times as much taxes, expressed in per cent of the revenue dollar, as do the merchandise chains. The impact of taxes thus becomes a major issue for our industry.

The present tax policies of the Federal government from the standpoint of stability of Federal revenues are open to the most severe criticism. Instability of Federal revenues is evidenced by the fact that 73 per cent of total Federal revenues come from income taxes. When the "T-I-D-E" turns, Uncle Sam will get the "cleanest wash in town." When a recession moves in, break-even points and operating ratios move up, and there is less and less net before taxes to divide with Uncle Sam. What is the remedy? Change the tax system before the recession comes.

Business decisions in any field—expenditures for new plant, changes in operating methods to save operating expenses, financing policies to be pursued —cannot now be made without first examining in detail the tax effect. This has become the major consideration in making business decisions today. In our business this anomalous situation is particularly pronounced.

What can we do constructively? First, we can lend our voice to the swelling numbers who insist that unnecessary expenditures be eliminated and that waste in government and expenditures for socialistic enterprises be stopped. This is a job to be undertaken, for the most part, at the local level with our stockholders, employees, and with our customers. Most of us are engaged in various phases of this program. All of us should step up our activity in this direction.

Present income tax rates are confiscatory and have now reached the point of diminishing returns. Earnings per share for all industry are sliding off even in the face of record-breaking gross revenues. Most utility companies now would also be in this position, if it had not been for the offset that the elimination of the 3⅓ per cent energy tax gave us.

Threat of Uncontrollable Inflation

It has been pointed out that the existing American tax burden will take more than 30 per cent of the national income, and thus is already beyond the limit which leading economists estimate as safe, if disastrous inflation is to be prevented. There is general agreement that, when taxes absorb 40 per cent of the nation's income, inflation cannot be controlled even though the budget is balanced and credit under control. Under present tax rates, a minor reduction in the nation's income could easily move the tax take up to 40 per cent.

With the nation in such a precarious tax position the movement under way to put a 25 per cent ceiling on the amount of tax the Federal government can collect from individuals, corporations, and estates and gifts is getting real attention. Such a ceiling, estimates indicate, would reduce tax revenues by about 16 billion dollars, 14 billion dollars of which would be corporate taxes. Not all of this would have to be made up by additional taxes, for economy measures advocated by responsible leaders such as Senator Byrd could pare Federal expenditures by a substantial part of this amount.

The method of seeking the limitation involves enactment by 32 state legislatures of resolutions asking Congress to call a constitutional convention. Such a convention would be charged with drawing up a limitation amendment which would then become effective after ratification by 36 states.

Thus far, 28 states have passed some form of resolution, but only 25 of these bear directly and solely on the 25 per cent limitation. And of these, seven have later rescinded their resolution, and in two cases governors have vetoed them, leaving only 16 in force. It is contended that the rescinding resolutions have no

effect because one state legislature cannot undo the actions of a predecessor, and it is also argued that such a resolution cannot be vetoed.

This method of seeking a constitutional amendment has never been tried before and a number of questions as to procedure have been raised. No one knows the conditions under which a constitutional convention would be held, the method of selection of delegates, and how the cost would be defrayed. The raising of these doubts as to the ultimate success of the method that has been followed has led to a proposal to hold hearings on a direct constitutional amendment. Present administration forces are, of course, strongly opposed to such limitation. But in view of the large proportion of national income which is now being siphoned off through taxes and the resulting damage to the nation's economy, this movement is worthy of your most serious consideration and support. I hope you will inquire what action your state has taken and lend your support.

Fair Division of Net Profits

If the present criticism from all sides of Federal expenditures is effective, it should find expression in release of the strangle hold on business profits of the present 52 per cent tax on corporation earnings or the higher figure of 67 per cent when a so-called "excess profits" position is reached. From the long-term point of view, a fair division of the net profits of industry would, in my opinion, be 25 per cent to the government and 75 per cent to the equity owner. This presumes, of course, that any deficiency in Federal revenues, after giving effect to reduction in expenditures and a lowering of the income tax rates, must come from other forms of taxation. Why not have the price structure of the nation carry the tax load? I think all segments of industry should take a long-term position on this subject. Congressional committees are willing and even eager to have well-documented presentations made in support (or in opposition) of these economic principles, particularly by representative men of industry. We should take our share of this job of presentation.

And finally, may I take a few minutes to speak of the competition between ideological forces which has had such a destructive effect on our industry.

In his first inaugural address, Thomas Jefferson suggested the role government should play in making a happy and prosperous people. He said "a wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government. . . . " For those who are sincere in their concern for "the general welfare" his statement offers substance for serious consideration.

Infiltration for 20 Years

No discussion of competition as affecting the utility industry could fail to point out how far we have strayed from the Jeffersonian doctrine of good government. Determined political efforts aimed at socialization, piercing the economy in all directions, have seriously impaired the health of our free institutions. In the utility industry, the damage has already been great, for the work of infiltration has been going on determinedly for the past 20 years.

You will recall that when Congress created the Tennessee Valley Authority in 1933 it did so to regulate stream flow "primarily for the purposes of promoting navigation and controlling floods." In no way did the Congress authorize TVA to make the generation of electric power its major purpose. Nevertheless, that is what has happened. In the Authority's latest report is the following: "About four-fifths of the new generating capacity under construction will be installed in five large steam-electric plants—totalling 2,790,000 kilowatts—and the remainder in hydro plants."

Also, the report points out that "Where steam plants at June 30, 1951, accounted for less than 14 per cent of the system capacity, in 1954 they will provide nearly half." It is immaterial whether or not you believe the oft-repeated claim by TVA that such expansion is necessary for security reasons or, as others may claim, because of an alleged power shortage. The plain fact is that the TVA is socialized power, is competing with and has already destroyed many investor-owned companies in whole or in part.

The Issue Becomes Clear-Cut

Recently the exponents of socialized power have dropped their camouflage and double-talk. The Department of the Interior has taken the position that it has the right to build dams solely for electric power generation, regardless of the announced willingness of investor-owned companies to undertake such projects. The issue has thus become more clear-cut, so much so that the President, in his recent message to the National Rural Electric Cooperative Association, labeled the socialized power package, of all things, "free enterprise."

The Department of the Interior is waging a battle on many fronts for control of the nation's electric power. It is at grips with the Federal Power Commission over the licensing of single-purpose electric generating projects such as King's River, California, and Roanoke Rapids, North Carolina.

Just recently the Bureau of Reclamation, encouraged no doubt by the precedent which Congress set when it authorized the construction of a steam plant by TVA, has proposed that it, too, be allowed to build fuel-burning electric generating plants. The Bureau's proposal calls for the construction of 45 generating plants scattered over some 17 states at a cost estimated at 1.4 billion dollars, but which may ultimately considerably exceed that figure. The output of these plants would supplement that now generated from its existing irrigation developments. Everyone in the industry, I hope, has heard of the bills now before Congress providing for socialization of the additional hydro capacity at Niagara Falls. There is no question here of promoting navigation or control of floods. This is pure and unadulterated socialism.

Here is competition in its most destructive form. Those thinking people who wish to preserve our national heritage for generations to come must become more articulate and resist such competition of government with its citizens at every hand and with determination. It is a job in which we can fail only once.

Appeal to Legislature

Where socialization of the power industry in their area has become an issue, utility managements are presenting their cases before state legislatures and Congress with greater aggressiveness and increasing skill in presentation. In the postwar period we have been winning more and more of these battles; first, because our cause is based on fundamental American principles, and secondly, because Congress is recognizing that there has been socialization of our business and that the advocates are mostly the Federal bureaucracy who want more and more power. The men who are making the fight in their own areas are making the fight for all. This struggle now involves every area of the United States.

(Continued on page 136)

Opportunities for Accountants in Public Relations

By Kinsey M. Robinson

President, The Washington Water Power Company

An address before the National Conference of Electric and Gas Utility Accountants, New York, N. Y., April 7, 1952

I HAVE a special reason for saying that I am pleased and also honored to be here today. The subject itself which your chairman has assigned to me—customer relations—does not, on the face of it, offer a great many innovations. The vitality of the phrase, like "flag-waving," has been somewhat lost under a burden of platitudes and admonitions. In many areas over the nation, special groups who are more or less interested in the commercial aspect of public relations have quite naturally become our standard bearers. The poster on the wall, which may be, and often is, quite excellent, the movie which entertains, the mailing piece, the advertisement in the paper—these things are relied upon by many firms as a substitute for their best personal efforts.

The Value of a Satisfied Consumer

We know that the well-being of our employees and also company security depend upon public attitudes. Public relations is today as essential as financing, load-building, and law. Practically every utility executive in the nation recognizes the value of a satisfied consumer. From my personal experience, I see public relations growing in importance every year. Today I have the simple regret that we did not realize this fact earlier.

I remarked at the beginning that I have a special interest in today's meeting. Some of you accountants, as individuals, I have known for a long time. Your departments, too, over the years have been rather close to me. At times, if you'll permit me to say this, your departments have even contributed a few headaches. The statistics you gather always have a sobering effect when enthusiasm gets out of hand. But on the opposite side of the ledger, I have noticed that facts can also be very encouraging. You probably know that already.

There is no question in my mind that your accomplishments are impressive enough for any administrative officer. My accounting people's reports for the past few years show that less than 12 per cent of our customer accounts now carry balances, compared with 27 per cent six years ago. I know for a fact that they read meters today, and the bills are in the mail tomorrow—eight-hour billing. Month-end financial statements are out in five days, in spite of our complicated power pool billings for purchased power.

And it is this very thing—your tendency to look at reality, to use the adding machine, to balance our gains with probable losses—that makes me glad to be here. Public relations needs the sort of balance wheel you can offer. It is your objective viewpoint that will guide me during my few remarks today.

If you were to ask me how customer relations can best be improved, I would be at a loss to know how to answer—certainly not in a single sentence. Out West we have learned that it requires a strong desire on the part of management and department heads to accomplish anything worthwhile. The strong desire has been forced upon us. It has meant survival. We have also learned that it is of vital importance that we recognize the nature of our competitors. You can't play make-believe while a world force called socialism is eating its way toward you. We have learned that in order to cure a sore spot in public relations, we must first learn what that sore spot is, and what caused it. Public opinion surveys, in our experience, explore the public mind and feeling best. And finally, we have come to the conclusion that it is no simple task to find ways and means to induce not one but all departments and all employees to take part in a public relations program. I would like to talk about one or two of these conclusions.

The Need for Hard, Cold Facts

But first, before we proceed, let me again express complete endorsement of your interest in public relations. What we need today, almost as much as anything, are hard, cold facts. We need to analyze and have conclusive proof regarding every phase of our operations. And I may add that such complete evidence is often lacking today. It is only human nature for each department head or each supervisor to put his best foot forward, to give the brightest picture possible of his own operations. It is far more pleasant to rationalize that a few complaints are exceptional to the rule than it is to admit that something may be seriously wrong. The truth may hurt at times. It may even require changes in procedure and in personnnel. Nevertheless, you accountants, with your talent for fact-finding, and your analytical minds, could take the lead in asking the kind of questions that are directly to the point and telling. You could even go so far as to put some of your findings in capital letters so that management might more easily read.

Varieties and Shades of Competition

I wonder if we can all agree that competition exists in the electric and gas industry, that in spite of a cry of monopoly, which echoes back over the years, we have serious obstacles to face. Out West, where I come from, competition is particularly tough. What is more, we have all the varieties and shades one could ask for. Groups are competing for the steel we need to build a power plant, and again there is competition for the electricity after it has been generated. There is competition when we ask permission to build a transmission line. We see it in the legislature when private business talks about tax relief and in the editor's office when the newspaper mentions the words "profit" or "financing."

In fact, there is not an hour of the day, and very few hours in the night, that we are not in competition with some firm, bureau, organization or individual, in our efforts to remain in business. At times, this competition becomes so sharp and intense that it suggests the "not-so-gay Nineties," when mere words were not sufficient. Some of our friends, who have watched the growth of one competitor in particular called Federal power, have expressed the fear that it

will grind us to dust. They believe that public ownership is inevitable. Naturally, I cannot share that viewpoint, and in the course of this talk, I shall tell you why.

To illustrate what I have in mind, let me relate a recent experience that confronted us in Washington Water Power territory, which will show the kind of competition we are up against. Early last summer the company wanted to start construction of a transmission line from our new, 200,000-kw, Cabinet Gorge hydro plant, under construction close to the Montana line, to carry power 85 miles to Spokane when the new plant is finished. The route lies through forests and extremely mountainous terrain. A mountain goat would have trouble climbing some of it. Sheer rock walls close by drop hundreds of feet into Lake Pend Oreille, and snow has been known to pile up 12 feet deep, even in not-too-severe winters. Now, it happens that a government bureau wants to build a line too. This government bureau has already constructed an access road through the National Forest in the nearby area. We planned to build our private line on right-of-way adjacent to the government line. Do you think these government people intended to permit our crews to use this access road, to build through public forest lands, partially with our own tax money? For a while, we actually faced the prospect of being padlocked out of the forest. Maybe you think that didn't become a competitive situation.

From Servant to Master

It would be interesting to know how you people in this room, with your practical minds, would have solved a situation of this kind. It would also be interesting to know how you would answer the recent statements of President Truman and Interior Secretary Chapman, when at a Chicago meeting of co-ops, both of these men stated—at least so the newspapers said—that private industry was plundering the people, robbing them of sacred rights, which incidentally, are now supposed to be seized by government. Who would ever think, if the idea were not planted by a competitor, that your business firms and the one I represent, are enemies of those nice people living next door, the thousands of friendly people who live in our respective communities! Having climbed from servant of the people to master and completely ignoring the inestimable contribution of private business to man's health, his security, and his happiness, these super-politicians, under the protection of government, are spending untold millions to influence the public against us. Just how would you answer them, I am inclined to ask.

Effect of Government Propaganda

It may be worth a few minutes of our time to emphasize that the effect of government propaganda upon public relations must never be underestimated. There are listed specific items which amount to 105 million dollars spent each year for direct propaganda purposes in government. If you count hidden costs, including diversion of executive salaries to publicity, travel, speeches, letter writing, pamphlets and the like which have harmless covers but which, nevertheless, carry a vicious statement or two designed to destroy private business, and to that add the output of the 150 separate government printing plants in seven major cities, the connections of political people with various news services, and the uncounted citizens planted over the length and breadth of the land to speak up for government policy when the occasion requires—taking all of these hidden costs, congressmen have estimated that the figure covering government propaganda will climb to the one billion dollar mark.

There are on the Federal payroll more than 45,000 publicity employees, skilled writers and technicians, photographers, and experts in scores of endeavor. The Department of Agriculture alone admitted having 600 people at salaries ranging up to $12,000 per year. These propagandists and pressure boys, in addition to supplying familiar government bulletins, paid advertising, lantern slides, motion pictures, radio and television shows, magazine articles, news stories and the like, also prepare materials to keep the speech-makers busy and see that they get booked. One department arranged for 150 talks through several eastern states on the single subject of Federal aid to health. The Department of Agriculture made 17 movies in one year. In a single week, *The New York Times* reported that it received enough government news releases to fill 800 of its columns, which amounts to about 100 full newspaper pages.

Now, what does this mean in public relations? I'll tell you one thing that comes to mind. It means that if private business were to service its electric and gas accounts with the same generous hand our government extends to the voting population, you would have to expand your accounting departments five or six times. For if we divide the 2,300,000 employees on the government's civil employment payroll into the nation's 35 million families, we find that it balances out one government employee for about every 15 families in America. And applying this same ratio to business, a small company such as I represent, with a little over 100,000 customers, would demand not our present 1200 employees on the payroll but something like 6000 employees. Turn to the Veterans Administration insurance service for an example of government efficiency. The veterans' service processes 450 policies per employee each year, while private companies at the same time handle 1762 policies per employee.

I don't want to spend the time talking about the Federal government as a competitor. I have only mentioned these things because they are basic to the accounting department and to every other department in your companies which shoulder the responsibility for good public relations. We are no longer merely selling electric service for a price, with a few pleasant words thrown in. Into the competitive transaction has stepped government—which should be the referee. Its competition is very real. Sooner or later all of us must face this fact.

No Loss of Faith in American System

But still, I would like to reiterate that we need not lose faith in America. Out West we have watched this thing unfold year after year. More like the Russian thistle (a weed that threatened some of our farms) than anything else I know, government encroachment is eradicated at one spot only to appear and spread some place else. Still, we can retain the great principles found in the private enterprise system if we will be both realistic and active. There may exist no one solution. All of us learn something new after each job is finished.

For example, we have learned that the margin between saving our properties and losing them is always very, very narrow. If some of our private properties have slipped from our hands in the past years, it has happened because an extremely small percentage of voters were not informed, or because they were indifferent, or because the opposition worked harder and talked louder than we did. Take my word for it, you can

win your elections if you will be realistic and active. Most of our bad results could have turned to victory back along the trail, if somebody hadn't trusted to luck.

Back in those early days of Water Power experience, there were people who said that the Public Utility District law could not stand in court. They argued that it was unconstitutional. "Let the public power boys vote in this strange law," they said. "We'll take them to court and lick the pants off them." That was back in 1930 and in the few years that followed. Time and again that phrase was echoed through the West.

Evils of PUD Law

The law was voted in. Unconstitutional though it appeared to be, bad though it was, giving local commissioners the right to condemn any and all property, to collect taxes, to fix rates without supervision of our state regulatory bodies, to create public debt almost without limit and without a popular vote, to have eminence over all other existing laws, to defy all efforts on the part of customers in their areas to dissolve these districts once they were formed, I say, in spite of these vicious aspects of the law, the law nevertheless went in. And what is most painful about it all is the fact that the law was voted in with the narrow majority of 3.6 per cent of votes cast. Only 27 per cent of the state's registered voters crossed the ballot favoring this bill, and yet it won by 3.6 per cent of votes that were cast.

What would a little extra effort have done back in those days, we ask ourselves in 1952. You perhaps recall that Mr. Truman won the popular vote in 1948 with 24 million votes, while Mr. Dewey lost with 22 million. Here, in New York State, Mr. Truman trailed with 2,700,000, and Dewey led with 2,800,000.

In Pend Oreille County, Washington (partially served by our company), there is a more specific example of how close is the margin which lets you win or lose. This county voted itself a PUD in 1936, only two years before I came to The Washington Water Power Co. This particular county, I learned subsequently, accepted the PUD law by the narrow margin of 0.1 per cent. In other words, 49.9 per cent of the voters opposed this Public Utility District law, and yet its dark wings settled over them. A mere handful of friends in this area would have reversed those figures. Today this PUD is one of the most active in the state in the attempt to take over The Washington Water Power Co.

If these several examples are not sufficient to prove that action is needed, that you can't trust to luck, you should hear what happened in the City of Seattle. This example is so striking that I am sure it will impress us all with the fact that none of us should ever relax. Here are the facts:

An effort was made one and one-half years ago in Seattle to induce voters to eliminate private utility operation in the city's competitive area. A proposition, known as Proposition C, was placed on the ballot in November, 1950. This bill would have authorized the city, which already served part of the customers, to purchase Puget Sound Power & Light, which, because of endless PUD condemnation suits, was weary of the struggle and wanted to sell. But the public, as is often the case, had some serious doubts. When the votes were cast, again that unbelievably narrow margin showed up. Here almost conclusive evidence comes to hand that a minority group can and often does push the public into something whether they like it or not, for with 130,000 votes cast and with most of the precincts counted, the measure trailed by nearly a thousand votes. Then something must have happened to effect an infinitesimal change.

Narrow Margin of Votes

Absentee votes were counted, and a few stragglers came in from the precincts. The bill won by only 681 votes. Believe it or not, with three newspapers pushing for the bill, along with the Grange, Municipal League, labor unions generally, City Council, and a tired private electric company, this measure won by only 600 votes. Surely this is a lesson for all of us.

Conditions and attitudes have in some respects changed and improved in the past few years. Even though competition remains, with 29 counties organized into PUDs, out of our 39 counties in the state, public acceptance of The Washington Water Power Co. has greatly improved. Over the years this change has come by a slow, painful story of trial and error. If my memory serves me correctly, about the only consistent thing about our efforts was the never-ending, I may say constant, endeavor to persuade all employees to roll up their sleeves in an effort to make all customers our friends. Here is the record of public relations progress.

Back in 1930 to the year 1938, the proportion of the population favoring public power was alarmingly high. Parenthetically, I may suggest that anything above the 50 per cent mark is high and should be considered alarming. But by 1947 the percentage of voters favoring public power had dropped to the 20 per cent mark, with 66 per cent opposed, and 14 per cent with no opinion. By 1948, the percentage favorable to public power fell again to 14 per cent, with 75 per cent opposed, and 11 per cent undecided. In 1949, that figure had dropped still more. By this later date, it was only 9 per cent favoring public power, with 72 per cent opposed, and 19 per cent uncertain. I must draw your attention to one fact, however, and that is our rapidly increasing population. Our contacts can scarcely keep up with our newcomers.

Determining Where to Concentrate Efforts

Another thing we have learned out West is that it is a matter for considerable research and judgment to determine what comes first in importance and how major problems in public relations should be solved. I suppose we are all alike. We have a limited number of enthusiastic employees, limited time, limited energy, and limited finances. Everything that needs to be done can't possibly be tackled at any one time. Where, then, shall we assert our efforts? It is a problem that has constantly faced us, and were it not for our friends in the public opinion survey business, that problem would indeed be hopeless. What an interesting chapter you accountants could add to your list of achievements if you set out to find the answer to questions such as these:

In the light of public relations, is the meter reader an influence for good, does he create enemies, or must we admit that his calls are entirely unproductive? What about the lineman who climbs up the shadowed side of the pole to shut off service for the non-payment of a bill? Does he leave the customer's premises knowing that the customer will be angry? What about the salesman? Figures somewhere have stated that only one customer in ten can recall that an employee of the company ever paid him a visit. What remains in the customer's mind after our salesmen depart?

What about the local managers? Would a check of our small towns show that the district agent is liked, well known, and active in community affairs?

At this point, I may state that in the Washington Water Power service area we made just such a survey. We found that very often it is not company policies that are wrong. Rather, it is local interpretation of these policies. I can assure you that many of us in years past have selected men to manage our public relations in the smaller towns who should never have been placed there. One community of some 2000 people showed that less than 100 could name the local manager. Another community, of the same size, where the local manager was friendly and active, showed an 85 per cent identification. The acceptance of electric rates, understanding of profits, promptness of service, courtesy, local donations to worthy causes—these things vary in survey results according to local managers.

What Do the Customers Think?

Still again, what about the girls who sit at their desks in the lobby, apparently unoccupied, waiting for a customer to come in? Our intention is to give instant service, much like the flashlight battery. But what do the many customers think who pass by? Do they get an impression of idleness, of corporation idleness and wealth? What about public opinion and our tax burden, these valley authorities, Mr. Truman's thought that electricity belongs to the people?

Amazing though it may sound, the answers to these, and similar questions are to be found in research and on your adding machines.

If anyone in the audience ever discovers a way to obtain 100 per cent employee participation in public relations programs, don't take the time to write. Send me a wire. We have tried many things to stimulate employee interest in the job of making friends—this broad field of courtesy, helpfulness, understanding and good service. We have used movies, panel discussions, lectures, skits, quizzes, and contests. We have trained special employees to give our messages, and have left it to the supervisors. Employee committees have been formed, and special assignments given. About the only thing we have learned is this: Employees must be given something understandable and specific, if the job is to succeed. It is meaningless to ask an employee to make friends. He thinks he is making friends all the time. But if you ask him to mend broken toys for a needy family, or send a greeting card to people who are sick, or help pull a stalled auto from a snowdrift, he will pitch right in. These things he understands.

Specific Tasks for Employees

Nor does it make much sense to our employees when we admonish them to keep close to our leaders of thought. The admonition is pointless. But purchase 500 pamphlets pertaining to company problems, ask employees to call on every minister in the area for the purpose of placing a pamphlet in each clergyman's hands, and inviting him to tour a company power plant, and the job will be done. Again it is something an employee understands.

Such expressions as "aid to youth," "city beautification," "public health," "free enterprise," and "friend-making," are all right as captions of a report. But take my word for it, we need something far more specific when we take these things to employees, expecting to enlist their cooperation.

One thing more. We have learned that in spite of thousands of headlines in the daily newspapers, dozens of speeches over the radio and from the pulpit, thousands of pamphlets distributed, not to mention back-fence gossip, the public is very poorly informed. The public does not understand our problems, and it never will—especially from our viewpoint — unless we take upon ourselves the task of informing them. Now, this lack of information can be traced to many causes. In the first place, the public has more exciting things to think about than corporation taxes, farm electrification, and cost of service to industry. Look at these interesting facts revealed by surveys:

Uninformed Public

Ninety-two per cent of farmers could not describe the Brannan plan. I'm sure all in this room can describe the plan. Thirty-three per cent of voters in one area had no opinion on whether a valley authority was a good thing or not. Twenty-four per cent of the U. S. population had formed no opinion as to whether electric rates were high or low. In one community, 40 per cent of the customers didn't know whether they were served by public or private companies. Forty-two per cent of the U. S. population had never heard of the REA. Forty-six per cent of all U. S. customers say it would not be socialistic, or they do not know if it would be socialistic, for the Federal government to own and operate our electric systems. Seventy per cent of the nation's clergymen fell down on questions pertaining to American business, such as questions about profits and employee benefits. And so on. Even our employees are not too well informed.

My point is this: some of us in key places will have to start talking about our business. An uninformed voter is a disinterested voter. And the job never ends. I wonder if it is possible to induce employees to learn these important things pertaining to our business? How would you go about it? What would be the inducement? How would you set up your mechanics? How would you encourage employees to pass this information along to their friends and neighbors? That is all part of public relations, disseminating vital information. It will require energy. It will require time.

Pendulum Swings from Socialism

But I believe that we are making progress. Out our way, public power has fallen down on its promises. The public has learned that low rates do not follow public ownership, as was held out before the voters went to the polls. Communities are missing the taxes once paid by private utilities. They would like to have private utility support of community affairs and the efficiency of private management. It seems to me that now, with the pendulum swinging away from socialism and the many socialized projects over the nation, we should put forth extra effort to win the consumer and the voter to our side. The public relations contribution of the accounting department will go a long way toward our ultimate success.

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EDISON ELECTRIC INSTITUTE
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Home Service and the Health Home

By Harry Restofski
Vice President, West Penn Power Company

An address before the 18th Annual EEI Sales Conference, Chicago, Ill., March 31, 1952.

ARE you confused? Been having trouble with insomnia? Wondering if you, too, are going crazy? Could be, because it's happening to some of our associates. In some cases, it results from trying to figure out what a home economist with an electric company has in common with arthritics, cardiacs, and ambulatory paraplegics; with the heart kitchen, the health home, and the Handicapped Homemakers Foundation; with the American Heart Association, the National Tuberculosis League, and the American Medical Association; with NEMA, EEI, and the projected Health Home Council.

To say that it is confusing is a gross understatement. But the answer is simple. The link that connects home economists with all these is the handicapped homemaker, who aggregates 13.5 per cent of all the homemakers in the country. I am going to try briefly to show what that connection is and to indicate what I think might be done about it.

Essence of the Problem

Boiled down to its essence, here is the story in just eight sentences:

1. One of every eight homemakers is unable to carry on normal household duties because of a physical handicap, such as a heart ailment, arthritis, a post-tubercular condition, or confinement to a wheel chair.
2. These homemakers can be helped very much in the performance of their work—making it easier, quicker, safer—by the use of techniques developed through research and experience.
3. The problem is to bring this new knowledge to handicapped homemakers in some organized way.
4. In most cases this can be effectively done by people without any medical education and after short, easily acquired training.
5. Electric company home economists are in particularly good position to help because of their general competence and their experience in working with and helping homemakers.
6. For the electric companies, such work carried on by their home economists results directly in building good customer relations and indirectly in building business, because the electric way is usually the easiest, safest, best way.
7. Many of the work-saving techniques so sorely needed by handicapped homemakers have a tremendous appeal to homemakers in good health because they, too, want to carry on their household duties in the most effective, the easiest, and the safest way.
8. The problem, therefore, becomes very broad, the opportunities for service become many and easy to find, and the potential benefits to electric companies become very real.

That, in capsule form, is the whole story. But let me support it by putting some meat on these bare bones. First, how and when did all this about handicapped homemakers come up and what, if anything, has been going on with regard to it?

Two years ago there was brought to the attention of a small group of utility executives the problem of the handicapped housewife, which at first seemed to concern only slightly our business. We were told that there was a real problem of providing help for these housewives so that they could carry on their housekeeping, despite their condition. And it was no small isolated problem, since approximately 13.5 per cent of all homemakers were unable to carry out normal household duties. The causes are numerous and diverse and include cardiac conditions, rheumatism, confinement to wheel chair, arthritis, and many others. This story was related to us in the hope that the electrical industry would contribute to the solution of the problem, through its knowledge of equipment and of household tasks and its closeness to the homemaker.

The original presentation was made by Dr. Howard A. Rusk, Head of the Institute of Physical Medicine and Rehabilitation of New York University.

This was the first time the attention of our industry had been called to the special problems of the handicapped homemaker—the first time it had been suggested that we might want to do something about them. Some of us were so impressed with the possibilities of the proposal that, at the Commercial Division General Committee meeting in October, 1950, a task force was appointed to study this problem and the possible areas of cooperation among manufacturers, electric companies, and health associations. A committee was also appointed a few weeks later by NEMA so that a joint exploration could be made. Interviews were conducted with Dr. Rusk's staff, the American Heart Association, National Tuberculosis League, and the American Medical Association to explore whether or not we could be of assistance in facilitating a solution to this problem.

Principles of Operation

As a result of these interviews, we established objectives and principles of operation. These are that:

1. Electric companies could render a real service to their customers by obtaining and applying knowledge of the problems of the handicapped homemaker.
2. Problems common to the handicapped homemaker are also, to a lesser degree, problems of all housewives.
3. The electric industry should place itself in position to work with and through all interested agencies and should not work with any one health association.
4. All segments of the industry can help in solving the problem.
5. Our activity should be based primarily on improving customer relations through rendering a valuable customer service, with no attempt to turn it into a business-building activity, though new business is certain to result.

With these objectives established, we made our project, now designated as the health home, known to the American Medical Association. They indicated a real willingness to work with the elec-

tric industry as co-sponsors of the publication of pertinent material, and in applying training programs for the field representatives of local groups.

Today, there are three major task committees in the industry working on this problem—a task committee representing EEI, one for NEMA, and one for AMA. It is hoped that these three task committees will eventually bring about the formation of a Health Home Council to carry on the work.

Handicapped Homemakers Foundation

Concurrently with these developments, there has been established the Handicapped Homemakers Foundation. This was created by J. W. McAfee, President of the Union Electric Co. of Missouri and a close friend of Dr. Rusk. Through his close association with Dr. Rusk and his activities, Mr. McAfee recognized the necessity of further research, the results of which could be utilized by the industry. He, therefore, organized the Foundation, having as its objective the raising of $50,000 to underwrite research in connection with energy-saving devices and energy-saving methods which could be utilized by the electrical industry.

This research work started in the summer of 1951. The first phase has been completed and paved the way for a pilot seminar. Upon completion of the research project, which may continue for another year, it is expected that the resultant material will be turned over, through EEI, to the Health Home Council and will be disseminated in the form of customer pass-out pieces, movies, training aids, and similar tools. It is proposed to handle the distribution of this information so as to present a continuous flow of new developments and applications, as they are uncovered in the long-range program.

That, briefly, brings us up to date. Before exploring where we should go from here, let us consider the problems of the handicapped homemaker and what is involved in turning an ordinary home into a health home.

Just what do handicapped homemakers need to carry on their household duties more effectively, more easily, and more safely? Do they need extremely technical knowledge and costly, special equipment? In most instances their needs are very easily met. The great preponderance of handicapped homemakers can be greatly helped by simple instruction in organizing their work for labor and step saving.

They need to be told, for example, how to store foods and kitchen utensils so as to minimize work in food preparation; they need to be told the importance of doing work while seated instead of standing and about proper relationship between chair or stool height and table or work-surface heights; in some cases, they need to be told to have laundry equipment placed on low platforms to do away with stooping; if they are cardiacs they need to be advised not to store frequently used kitchen supplies or equipment beyond normal reach or where they must squat to get at them; they need advice on use of trays and laundry baskets on wheels to minimize lifting; they need to be told about modern, lightweight, easy-to-use mops and lightweight irons that need not be tipped up, and about ironing boards easily adjustable for use while seated. Above all else, they need to be told about the same step-saving, work-saving kitchens and laundries that we have considered old stuff for the past decade and more. If highly specialized knowledge were required, I couldn't discuss it at all.

Recently, in connection with its two-day meeting in Pittsburgh on problems of handicapped homemakers and industrial workers, the American Medical Association invited EEI to prepare an exhibit of a health kitchen. Duquesne Light Co. and West Penn Power Co. undertook to build the kitchen and man it for two days. It was a rush job. A joint committee of the two companies prepared a plan for a display, including both a kitchen and a laundry, after studying available literature and visiting the heart kitchen at Wayne University in Detroit. Despite the rush, it worked out well. To use the words of the AMA headquarters folks in charge of the program, "the kitchen stole the show." That would lead you to expect something very special, but it wasn't.

Basically, there was a step-saving kitchen and the principal elements of a modern laundry. In the kitchen, foods and utensils were stored with an eye to their use to minimize work. There were a few trick things like a tray file, a magnetic knife holder, a lazy susan for pans, etc., built into what is normally dead space in one corner. Two lines of red tape on wall and base cabinets indicated the heart line, above which a cardiac should not reach on the wall cabinets and below which she should not reach on the base cabinets. Most people were surprised when told what the lines were—they looked like something new in color decoration. Trays on wheels, a kitchen table on wheels, an interesting kitchen stool, and similar devices combined to make work easier. Needless to say, lighting was good.

In the laundry unit, the adjacent automatic washer and dryer were on a low platform to eliminate stooping, and a light fiber panel placed on the dropped doors made it easy to slide the heavy wet clothes from the washer to the dryer. In addition to the ironer, there were a modern ironing board, adjustable for any height, with finger-tip control; an ironing chair; an iron that tipped up almost effortlessly; a device to keep the cord out of the way; a conveniently placed gimmick on which to hang the ironed clothes; and a clothes basket on wheels, at proper, usable height.

There was nothing extreme. Except for the fiber panel in the laundry, only standard equipment was used. But it was a hit with the doctors, their wives, the public health nurses, and others at the meeting. There were many requests for information as to the equipment and where it could be had. Jane Grau of Duquesne Light and Avis Broadhurst of West Penn Power were kept busy with their conducted tours and with answering a host of questions.

Problems Basically Simple

Is it always as easy as I have indicated to handle the problems of the handicapped homemaker? It is in a vast majority of cases. Most handicapped homemakers are not obvious cripples and invalids but are our neighbors whom we see regularly and whose handicaps may be known only in the family circle or to close friends. But, certainly, there are cases that require much more knowledge and ingenuity, if substantial help is to be given.

What, if anything, is practical for our industry to do for these handicapped folks? We can't set ourselves up as do-gooders with our rate payers' money in this field any more than we can set out to see that some of our customers are not ill-fed, ill-clothed, or ill-housed. What we do must pay for itself in some way—whether in making it easier for us to do business because of improved customer relations, or easier for us to get business

(*Continued on page 136*)

Secondary Capacitors

By Chase Hutchinson
Electrical Engineer, Ebasco Services Incorporated

An address before the EEI Transmission and Distribution Committee, St. Louis, Mo., February, 14, 1952

SECONDARY capacitors are usually considered to be those rated 575 v and lower. They may be applied either on the utilities secondary distribution system by the utility or on the load side of meter by the customer —the particular practice being greatly influenced by the thinking of utility rate and distribution engineers. In either case the use of secondary capacitors with their higher per unit cost can be justified in lieu of primary capacitors only when the benefits from secondary capacitors outweigh those of primary capacitors. Thus, it is apparent that the economic factors not common to primary and secondary capacitors are the only ones that affect the choice between the two, and the evaluation of effects is necessary only between points of installation of primary capacitor and secondary capacitor.

The above philosophy may be stated in equation form as follows:

Benefits occuring *between* primary and secondary capacitors	Must be Greater Than	Costs of Secondary Capacitors	–	Costs of Primary Capacitor

if the use of secondary capacitors is economically sound. These benefits consist of reduced voltage drops, lower losses, and released capacity. The relative importance of these benefits may be listed as follows:

Primary System	Loss reduction	Small
	Voltage drop reduction	Small
	Released capacity	Negligible
Distribution Transformer	Loss reduction	Good
	Voltage drop reduction	Good
	Released capacity	Good
Secondary System	Loss reduction	Small
	Voltage drop reduction	Small
	Released capacity	Negligible

These factors may be evaluated in various ways. The writer prefers the method of considering losses and released capacity evaluated in terms of future system investment with the benefits of reduced voltage drop neglected. On this basis economic comparisons have been made for the following situations:

1. Underground transformer vaults
2. Overhead residential secondaries

Table I tabulates a simple comparison applicable to secondary capacitors installed in a 208-v network transformer vault. Notice that when load power factor is approximately 90 per cent, secondary capacitors appear to break even when correction to 0.95 pf is installed. Lower load power factors indicate some savings. When load power factors are below 0.9 and correction to 0.9 is made, savings become large compared to cost of capacitors because of the high cost per kva of underground system capacity and the need to utilize such facilities to fullest practicable extent.

Figs. 1 and 2 present the economics of 240-v capacitors for specific conditions on overhead secondaries. Note that these curves show capital savings for secondary capacitors which occur between the place the secondary capacitor is installed and the point the primary capacitor would have been installed. Here again, if one installs modest amounts of three-kvar capacitors at the time the transformer is installed, depending upon load power factor a modest capital saving is obtained, but as load grows the capital saving becomes much greater. Thus at load power factors below about 0.9 a proper amount of capacitor kilovars per kva of transformer capacity offers, on the average, a capital saving which may amply justify the use of secondary capacitors on the overhead system.

Where system characteristics are not the same as assumed in Figs. 1 and 2, suitable modifications can be made with the aid of Table II in the following manner:

Compute the new values and substitute in Table II. Then plot the new total in appropriate place on Fig. 1 or Fig. 2, and draw a new load power factor line parallel to original load power factor line. For example, assume

TABLE I—SECONDARY CAPACITORS ON UNDERGROUND NETWORK SYSTEMS PER KVA OF TRANSFORMER CAPACITY

Basic Assumptions				
Installed cost per kva of underground transformer capacity				$ 31.00
Difference between secondary and primary capacitor—per kvar				15.60
Value of loss reduction—per kilowatt				200.00
Vault-type transformer 500 kva having 1% copper loss				
Primary feeder cable cost assumed @ $6.00 per kva				
Power Factor of Load	95	90	85	80
Correction to 95%				
Capacitor Kvar	0	0.140	0.247	0.337
Released Capacity—Kva	0	0.052	0.105	0.158
Copper Loss Reduction—Kw	0	0.00101	0.00199	0.00289
Savings—Released Transf Cap*	—	$1.61	$3.26	$4.90
Released Cable Capacity*	—	0.31	0.63	0.94
Copper Losses**	—	0.20	0.40	0.58
Total	—	$2.12	$4.29	$6.42
Cost—Capacitors	—	$2.18	$3.86	$5.26
Correction to 90%				
Capacitor Kvar	0	0	0.115	0.212
Released Capacity—Kva	—	—	0.055	0.111
Copper Loss Reduction—Kw	—	—	0.00107	0.00209
Savings—Released Capacity*	—	—	$1.71	$3.44
Released Cable Capacity*	—	—	0.33	0.67
Copper Losses**	—	—	2.14	4.19
Total	—	—	$4.18	$8.30
Cost—Capacitors	—	—	$1.80	$3.31

* These are released capacity values of transformer and primary cable only. In addition, released capacity savings in substation and generation equipment may be substantial amounts.
** Energy savings have been neglected.

figures shown in Table II are satisfactory, except that the load on the transformer is only 90 per cent of its peak at the time of system peak. Since losses at system peak will be $(0.9)^2 = 0.81$ per unit of transformer peak losses, the new values used in Table II are tabulated at the top of page 133.

These new points and the new parallel load power factor lines are shown dotted on Fig. 2.

These two applications of secondary capacitors represent the present extremes of the economic field for secondary capacitors on the utility system. For example, industrial substations usually are 230 v or higher and involve substantial amounts of secondary loss, both of these factors being favorable to application of secondary capacitors—particularly to capacitors at minor load centers in the plant. Hence the application of capacitors on industrial distribution systems is usually justified for load power factors below some figure probably between 0.9 and 0.95 power factor. The practical difficulties in achieving such installations lie largely in the rate field and will not be discussed here. However, unless proper attention is also given to operating problems, uncontrolled industrial and commercial applications can cause difficulties.

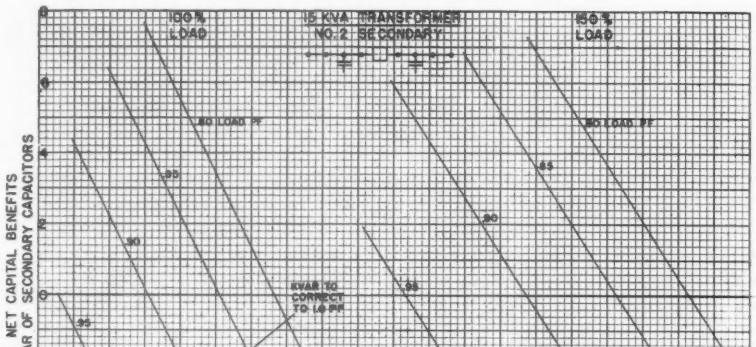

Fig. 1—Net Capital Benefits of Secondary Capacitors—15-Kva Transformer

Description of Units

The conventional outdoor capacitor for rack mounting on the pole is well known, as is the indoor unit and its switching equipment, frequently factory-assembled in a metal house suitable for outdoor use, but the small three-kvar capacitor designed for direct pole mounting adjacent to overhead secondaries is not so well known. A brief description of principal available units follows:

Cornell Dubilier—This unit consists of conventional stacked capacitor packs in an hermetically-sealed, welded steel case fitted with stud-type bushings. It is arranged for direct pole mounting with bushings pointing down. It is fused internally, presumably to prevent tank rupture in event of fault in capacitor unit. The unit is shown in Fig. 3.

General Electric—The original G. E. three-kvar unit consisted of a number of round, hermetically-sealed capacitors mounted in an aluminum mail box fitted with bushings. This unit, while still giving good service, has been redesigned and the new three-kvar unit is illustrated in Fig. 4. Note that it is considerably smaller than the old unit. It consists of conventional three-paper capacitors, stacked, paralleled, and housed in drawn steel case welded to a flat mounting strap. Leads come out through bushings and the unit can be mounted either bushings up or down.

Westinghouse—Is now in process of manufacturing a trial run of a new three-kvar pole mounting capacitor which is quite different from conventional units. If no unexpected troubles develop, Westinghouse expects to offer this unit for sale in the near future. As seen in Fig. 5, it consists of a drawn aluminum cup 4 in. in diameter by 16 in. long with a porcelain fitting in open end. Capacitor is wound on cylinder using three layers of paper. Discharge resistor is located inside this cylinder. Alternate foils project from each end and leads are soldered to these end foils. Manufacturer points out this results in a substantially non-inductive unit and believes this construction will reduce likelihood of tank rupture in event of fault occurring in capacitor element. Hermetic seal is accomplished by use of silicone rubber between rolled grooves in aluminum case and porcelain fitting. Leads are wire brought out through

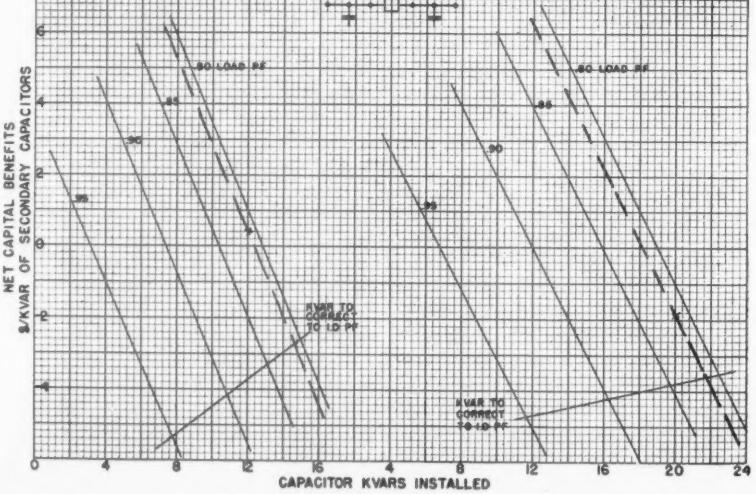

Fig. 2—Net Capital Benefits of Secondary Capacitors—25-Kva Transformer

tubes sealed to porcelain fitting by silicone rubber. Final evacuation, filling with Askeral, and sealing is accomplished through these tubes.

Bearing in mind the amount of additional investment which can be justified for secondary capacitors, consider the application problems and costs of overcoming them.

In dry vaults, customers' basements, and possibly in vaults occasionally flooded the problem is not difficult. Since capacitors are hermetically sealed, occasional flooding poses no more of a problem than that of exposed terminals and fuses in vault. Space for the capacitors and fusing are the two difficult problems with mounting details coming next in order. Fig. 6 shows a solution used by one utility employing 17,887 kvar of capacitors on their underground 208-v, four-wire wye system.

In the case of wet vaults and manholes the problem is different. While capacitors have hermetically-sealed cases, the metal is considered too thin to risk appreciable corrosion. If capacitors must be operated submerged, probably the best solution would be standard units with suitably smaller bushings in an oil-filled transformer tank.

Voltage Rating

Voltage rating—the 230-v rating of the 7½-kvar unit works considerable hardship on network system applications. The reduced voltage makes the effective rating about 82 per cent or 6.14 kvar and makes the unit cost about $18.90/kvar. There appears to be need for a 208-v unit in largest practicable size, possibly a 10- or 15-kvar unit. It is understood one manufacturer is prepared to offer a 230-v, 15-kvar unit.

First extensive application of 240-v, three-kvar capacitors to overhead distribution occurred about four years ago in form of a three-kvar unit designed for mounting on pole adjacent to secondary conductors.

Depending upon load and power factor, capacitors may be installed on one or more poles. Where diversified base var loads are in order of 200 per customer, the usual secondary will need one or two capacitors. Where room coolers and air-conditioning are the rule, more capacitors are desirable.

The inherent high cost of engineering and installing such small units emphasizes the need to use a rule-of-thumb method of application. The basic idea is

	Transformer Load 100%	150%
Demand charge for losses	(3.46 x 0.81) = 2.80	(4.67 x 0.81) = 3.78
Energy charge for losses	1.28	0.72
Charge for reactive losses	(0.12 x 0.81) = 0.10	0.14
Charge for released transformer capacity	7.29	4.50
Total—per kilovar	$11.47	$9.14
Added cost of secondary over primary capacitor	11.00	11.00
Net saving—per kilovar	$0.47	$−1.86
Kilovar of capacitors	12	20

TABLE II—ONE POINT ON EACH CURVE OF CAPITAL SAVINGS OF SECONDARY CAPACITORS OVER PRIMARY CAPACITORS EXPRESSED IN DOLLARS PER KILOVAR OF INSTALLED SECONDARY CAPACITORS

Source of Saving	Load Power Factor 0.95	0.90	0.85	0.80
15-Kva Transformer—100% Loaded—No. 2 Sec.—9 Poles				
Demand charge for losses[1]	1.65	2.89	3.11	3.08
Energy charge for losses[2]	1.94	2.81	1.83	0.52
Charge for reactive losses[3]	0.05	0.10	0.10	0.10
Charge for released transformer capacity[4]	4.36	7.43	8.30	8.73
Total—per kilovar of secondary capacitors	8.00	13.23	13.34	12.43
Difference between primary and secondary capacitors	11.00	11.00	11.00	11.00
Net saving—per kilovar	−3.00	2.23	2.34	1.43
Kilovar of secondary capacitors	4	4	6	8
15-Kva Transformer—150% Loaded—No. 2 Sec.—9 Poles				
Demand charge for losses[1]	2.49	3.63	4.26	4.64
Energy charge for losses[2]	2.88	2.59	1.88	0.85
Charge for reactive losses[3]	0.08	0.12	0.14	0.15
Charge for released transformer capacity[4]	2.89	4.28	5.17	5.84
Total—per kilovar of secondary capacitors	8.34	10.62	11.45	11.48
Difference between primary and secondary capacitors	11.00	11.00	11.00	11.00
Net saving—per kilovar	−2.66	−0.38	0.45	0.48
Kilovars of secondary capacitors	6	8	10	12
25-Kva Transformer—100% Loaded—No. 2 Sec.—7 Poles				
Demand charge for losses[1]	2.11	2.69	3.17	3.46
Energy charge for losses[2]	2.80	2.23	1.86	1.28
Charge for reactive losses[3]	0.07	0.09	0.11	0.12
Charge for released transformer capacity[4]	3.95	5.29	6.42	7.29
Total—per kilovar of secondary capacitors	8.93	10.30	11.56	12.15
Difference between primary and secondary capacitors	11.00	11.00	11.00	11.00
Net saving—per kilovar	−2.07	−0.70	0.56	1.15
Kilovars of secondary capacitors	5	8	10	12
25-Kva Transformer—150% Loaded—No. 2 Sec.—7 Poles				
Demand charge for losses[1]	3.06	3.53	4.50	4.67
Energy charge for losses[2]	4.14	2.22	2.21	0.72
Charge for reactive losses[3]	0.10	0.13	0.16	0.17
Charge for released transformer capacity[4]	2.55	3.19	4.12	4.50
Total—per kilovar of secondary capacitors	9.85	9.07	10.99	10.06
Difference between primary and secondary capacitors	11.00	11.00	11.00	11.00
Net saving—per kilovar	−1.15	−1.93	−0.01	−0.94
Kilovars of secondary capacitors	8	14	16	20

[1] Demand charge for kw loss based on investment of $200 per kw.

[2] Energy charge for kwhr loss based on cost of $0.007 per kwhr and capitalized at 12 per cent. Loss factor was computed by assuming:
- a. A two step load curve with light load (Kw_2) equal to 10 per cent of peak load (Kw_1).
- b. Light load power factor equal to 0.50.
- c. Load factor equal to 40 per cent. Based on these assumptions the formula for loss factor is:

$$\text{Loss Factor} = \tfrac{1}{3} + \tfrac{2}{3}\left(\frac{\text{Kva}_2}{\text{Kva}_1}\right)^2$$

[3] Reactive loss charges based on cost of primary capacitors, $6/Kvar.

[4] Released transformer capacity savings based on installed transformer cost in dollars per kva as follows:

Transf	100% Loaded	150% Loaded
15 Kva	23.60	15.73
25 Kva	18.30	12.20

[5] Net savings are gross minus difference in cost of installed primary and secondary capacitors. Cost of secondary capacitors is $17.00 per kva and primary is $6.00 per kva.

not to make a perfect job of each installation, but rather to attain on the average the desired improvement. One way to do this is to install X vars of capacitors per kva of transformer capacity, the objective being to carry the base secondary var load on secondary capacitors.

The place of the three-kvar, 240-v secondary capacitor in the overall problem of reactive supply appears to be that of supplying the base or substantially unvarying component of the reactive load. On most systems this is presently being done with primary capacitors connected directly to the line. When such a system adopts the general use of secondary capacitors to carry the base reactive load, the unswitched primary capacitors may be automatically switched with beneficial effects on primary voltage regulation.

Experience Data

The following experience data is not offered as being a canvas of the field of secondary capacitors. It is believed to be representative of the experience of Ebasco clients with secondary capacitors.

Company A has 900 three-kvar overhead units and six failures, some of which ruptured case. Have had to clean up one automobile. Use No. 10 wire for connections and weak link.

Has 900 7½-kvar units connected to secondary network. These units are tied on solid, presumably with small wire, and no troubles have been experienced.

Company B has 620 three-kvar overhead units and has had five failures. Units are connected with No. 14 copper wire. Failures have been accompanied by loud explosion, tank rupture, and automobile clean-up work.

Company C has 232 three-kvar overhead units with no failures. Expect to install 1400 more units this year.

Company D has 96 three-kvar, 240-v units, 10-5 kvar, 230-v units on overhead lines. Also there are 150 15-kvar, 230-v units on station auxiliary bus. On the underground system there are 603 7½-kvar units connected through fuses to network and 1782 7½-kvar units automatically switched on the network. All of the network units are rated 230 v. These capacitors are usually in transformer vaults located under sidewalk or in building basement. There are a few 2400-v capacitors connected to the 208-v network by step-up transformers.

There have been a total of 29 failures and no trouble with "explosion" of tanks has been reported.

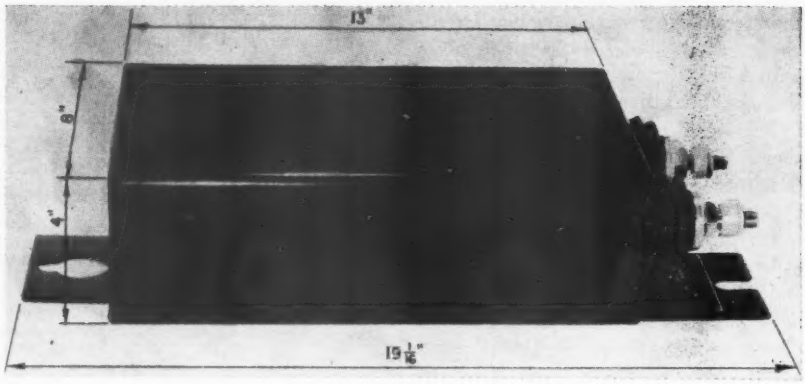

Fig. 3—Cornell Dubilier Three-Kvar Capacitor Designed for Direct Pole Mounting

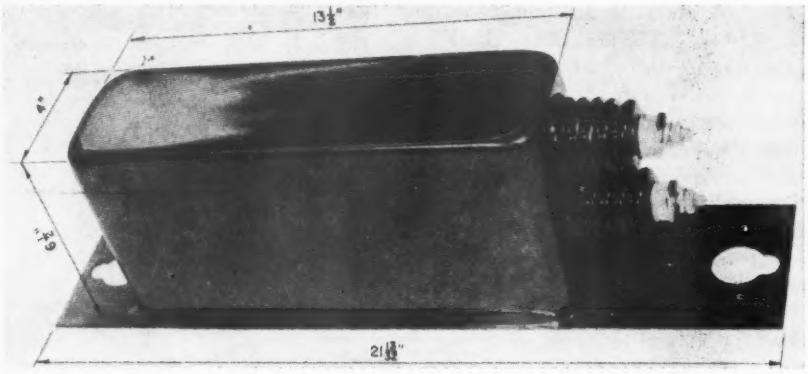

Fig. 4—General Electric Three-Kvar Capacitor Designed for Direct Pole Mounting

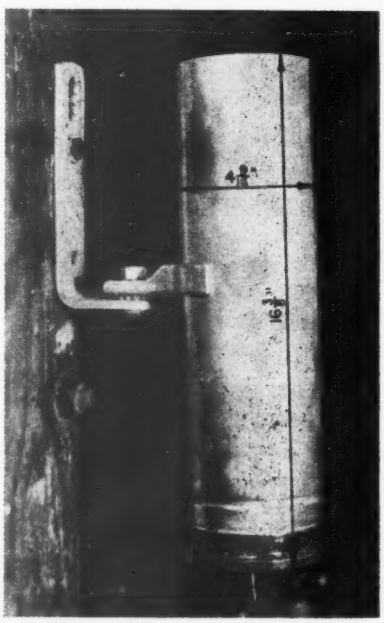

Fig. 5 — Westinghouse Three-Kvar Capacitor Designed for Direct Pole Mounting

Conclusions

A few conclusions can be drawn from this experience data:

1. Application of secondary capacitors to underground systems of these companies has been carried out without encountering any unexpected obstacles of importance.

2. Only unfavorable experience with three-kvar overhead capacitors occurred with unit connected to line with small copper wire. Failure of a unit resulted in explosive tank rupture. A tentative conclusion might be drawn as follows:

Where capacitor units are housed in a single hermetically-sealed tank, explosive tank rupture may be expected if the characteristics of the protective device exceed some value of the product of current squared and time.

3. Manufacturers should specify value of I^2T below which explosive tank rupture will not occur or incorporate a suitable fuse in the capacitor.

In conclusion, it is believed that secondary capacitors have a definite and substantial place on both underground and overhead systems and that as their economic advantages come to be more widely appreciated secondary capacitors will come into their rightful job of carrying the base kilovars of the distribution load.

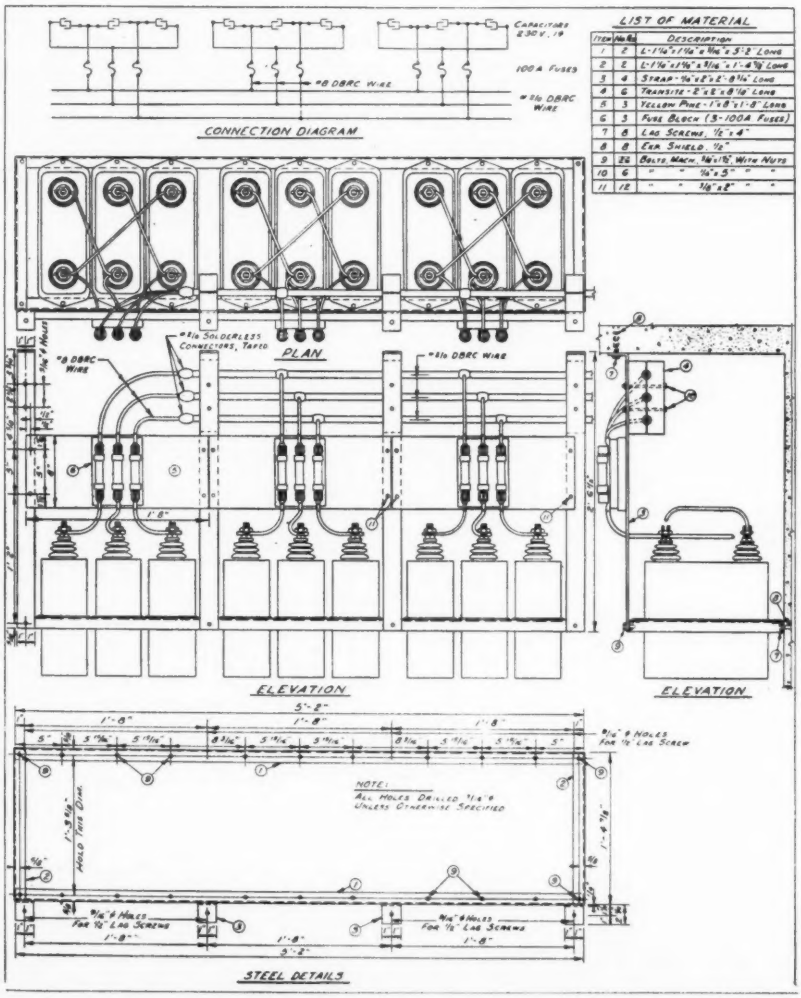

Fig. 6—Underground Standard Distribution System Transformer Vaults Capacitor Installation—230 v, 1ΦUnits

American Power Conference Held in Chicago

LEADERS in the field of power production, transmission, and utilization attended the American Power Conference in Chicago, March 26-28, opening six months of national and international ceremonies, stage presentations, exhibits, and other special events celebrating the Centennial of Engineering. Sponsored by the Illinois Institute of Technology, the Conference was held in cooperation with the Edison Electric Institute, numerous Midwestern colleges and universities, and a wide group of engineering societies and utility companies.

Among the speakers at the various conference meetings were such nationally prominent figures as William J. Grede, President, National Association of Manufacturers; George M. Gadsby, President, Edison Electric Institute; Dr. Claude Robinson, President, Opinion Research Corp.; Leo J. Brown, Director of Public Relations, American Medical Association; and C. H. Lang, Vice President, General Electric Co.

The 50th National Power Show and the annual meeting of the National Association of Power Engineers, held concurrently in Chicago with the Power Conference, were also part of the initial phases of the centennial celebration.

As the centennial program progresses over the next half-year, similar meetings by other major technical, scientific, and engineering groups will occur, culminating with a 10-day international convocation in Chicago, starting September 3. During the September assembly, 51 American engineering societies and several from Europe, Latin America, and the Far East will hold meetings in Chicago that are expected to attract a collective attendance of more than 25,000 from all over the engineering world.

EEI Engineering Committees Group Meeting

PROVIDING the advantage of broader contact among committees and an excellent opportunity for member company executives to become more familiar with the engineering committees and their work, meetings of all five of the EEI Engineering Committees will be held during the first week of May at the Edgewater Beach Hotel in Chicago.

The schedule of sessions is as follows:

Electric Equipment Committee..... May 5-6
Prime Movers Committee..... May 5-6
Meter and Service Committee (Joint AEIC-EEI)...May 5-7
Hydraulic Power Committee..... May 6-7
Transmission and Distribution Committee .....May 6-7

In addition to the regular committee meetings, there will be a group luncheon on Tuesday, May 6, at which A. C. Monteith, Vice President of the Westinghouse Electric Corp., will discuss methods of reducing the shortage of engineering manpower.

Home Service

(*Continued from page* 130)

as a by-product of increased good will, or as a natural result of the service we perform, even though we make no direct attempt to promote it.

I am convinced that there is a justifiable place for us. It can be little or big, depending on our own inclinations, on our own sense of values. For example, here are types of things we can do for our handicapped homemakers and for all others who can be helped to work more effectively, more easily, and more safely:

1. We can incorporate information on work-saving techniques in our lectures and demonstrations, our radio and television programs. This makes use of a new tool to make our programs more helpful and involves no added cost whatever.
2. We can be on the alert to include the new techniques in our home calls, whenever it is appropriate to do so. Again there is no added cost but we reap added benefits.
3. We can spread information on work saving through the printed word—in our advertising and by use of folders, booklets, and the like. Here there is an element of cost, but it need not be great.
4. We can conduct classes for handicapped homemakers with all the time-saving advantages of reaching numbers of people at one time, thus multiplying our efforts.
5. We can go all the way and offer to give individual assistance to handicapped homemakers who may be referred to us by physicians and agencies that are normally in touch with them. This requires more training and takes more time. Many companies will feel that such service pays.

Of course, it is obvious that, if we are to do anything worth mentioning in this field of work saving for handicapped homemakers, and for others as well, it will have to be done through the home economists. Here is one more service that can be added to those they already perform with such credit to our industry—an added service to make their work more varied and interesting, of greater worth to our customers, and of greater value to our companies. I know home economists will feel that here is a challenge that they will want to accept.

Competitions Affecting Industry

(*Continued from page* 124)

When we are called on for help, every company should meet the challenge, even though this may and often does call for action by top-level executives already overloaded.

The inroads of socialism in our business have resulted in the capture by the advocates of socialism of 20 per cent of the nation's electric generating capacity. We are in the forefront of their attack. Many other businesses are feeling the efforts of these crusaders.

Why did we in this country allow such a state of affairs come to pass? Capitalism in its march has brought to America the highest standard of living in all history, and wage earners, who in America are everybody, have the highest real wages by far enjoyed by any group of nationals in the world.

Everybody in this country is fighting communism, even those who believe in socialization of industry. But the communists do not look upon socialism or the welfare state as their adversary. Capitalism is their real adversary.

Communism has made progress in the world today because of the zest of the crusading spirit behind it. Capitalism, which has brought us the standards of living which we enjoy, has no crusaders. In our school systems, both public schools and colleges, we have some advocates of capitalism but very few crusaders. We have some apologists for capitalism. The number who are teaching the various aspects of the welfare state, pseudo socialism or outright socialism, outnumber the teachers of the advantages of capitalism. Why?

Few have taken the time or trouble to define the true virtues of capitalism. The capitalistic system has grown up out of the moral laws and ideals which grew out of the Christian era. It is the only economic system which has been devised to date which recognizes the dignity of man. It is the only economic system which recognizes the integrity of private property. It is the only system that recognizes that the compensation for the individual's toil is his alone to use, to give away, or to invest. All of these are human values. For years we have dwelt on the material fruits of the capitalist system as its real advantages. While this is true, it does not go to the fundamentals. The preservation of the dignity of the individual and of human rights are the fundamentals we should teach.

What we need in this country is a crusade to teach capitalism as an American ideology. Business and businessmen have been derelict, first, in not recognizing that they have this duty, and secondly, in not taking effective steps to see that educational work is done in all the avenues that are open to them.

If the American people had a complete understanding of the moral virtues, as well as the material values of capitalism, the socialists would not have had the success which has attended their efforts. I believe that business must undertake a crusade to educate the American people on the virtues of capitalism, and the start of this crusade must be with our own employees and then extend to the coming younger generation. Many companies in America are now engaged in worthy attempts to achieve this result, most of which, however, are sporadic. I believe that relatively small expenditures over a few years would accomplish much more and get better results than the expenditure of time and effort to combat socialistic attacks made on us, which, however, must continue to be met wherever they appear. I recommend this industry joining hands with other industry in formulating a comprehensive plan of selling the moral concepts as well as the material benefits of capitalism to the American people.

Socialism

(*Continued from page* 116)

in a small way. No other group in the entire economy has a larger expansion program. Out of approximately $40 billion spent in 1951 and to be spent in 1952, the combined electric and gas industries account for $7.6 billion, which is 19 per cent of the total. No feasible program of plant expansion to meet continuing industrial needs for electricity is too great for our industry. Once the people realize the implications of a national socialist power system, they will demand a return to investor ownership under local control working in cooperation rather than competition with Federal, state, and local projects which can economically generate electric power, to the end that such projects may be built with the least possible burden on the taxpayer, and the benefits arising therefrom be distributed without preference or discrimination.

Are We Doing Half as Well as We Know How?

By O. R. Williamson

Manager of Residential Sales, Kentucky Utilities Company

A report of the EEI Customer Relations Committee's Project Committee on Meeting the Customers' Desires, presented by its Chairman before the National Conference of Electric and Gas Utility Accountants, New York, N. Y., April 8, 1952.

THERE is an old story about the traveling salesman and the farmer —this farmer didn't have a daughter. The salesman was peddling a set of books on better farming, and from the looks of the farmer's fields, buildings, fences, and house, the salesman decided that better farming was the one thing his prospect could use above all else. He found the farmer a ready listener—Kentucky farmers are just about the "listenest" bunch of people there are—they will listen and listen and listen and then say no. That is exactly what this Kentucky farmer told the salesman after he heard the full pitch about the books, how good they were, all the suggestions they made for contour plowing, crop rotation, etc.

Like salesmen everywhere, the book peddler wouldn't take the first "no" for an answer. He repeated his sales arguments, saw his prospect's resistance weaken, and sought to clinch the sale with this statement:

"Don't you see, Mr. Jackson, these books will help you to produce more and market more farm products, make more money. You'll know how to do twice as good a job at farming."

The farmer spat out his quid of tobacco, looked hard at the young salesman, and said: "Shucks, son, I ain't farming half as good as I know how now."

Does that make you wonder whether we are doing half as well as we know how in this very serious business of customer relations? If that question pops into your mind—and sticks there—this paper will more than have served its purpose.

We all have customer relations—good, bad, but seldom indifferent—and we all know the importance of customer relations. It is not a matter of mere day-to-day pleasantries. It can be a matter of life or death to our companies, for it should always be remembered that our customers can put us out of business any time they want to.

Since our very existence as companies depends on acceptance and understanding by our customers, good customer relations should never be thought of as a luxury, a nice refinement. It is a necessity. We believe that, don't we? But do we believe it strongly enough to make it the first order of the day, every day, in every piece of business that comes before us? Are we willing to take the trouble to re-examine, not once but many times, every company policy and procedure in the light of customer relations? Every time we question an established policy, every time we suggest a change in procedure, we are likely to be stepping on some toes—and many of them will be pretty big toes. But our efforts, to the extent that they actually improve customer relations, will benefit everybody in the company—the president and the janitor and everybody in between.

Re-examination and Improvement

Like the Kentucky farmer in the story, we know many of the things that build good customer relations, but again like the farmer, maybe we ain't doing half as well as we know how. Just about every phase of customer relations has been explored by the men whose companies are represented here. The years have given us vast experience and taught us many lessons about dealing with customers in meeting their desires. A tremendous amount of research has been done by many able men on customer relations subjects, but have you used this valuable material in the re-examination and improvement of your own company's customer relations? If you haven't, you "ain't" doing half as well as you know how.

Profiting by Experience

The gas and electric industries are relatively new. But during these few years of operations, many intelligent men have put their minds to the problems of customer relations, searching for solutions, trying this and that approach, rejecting one idea for another, revising this procedure, strengthening that policy, starting new programs. Their knowledge and experience are yours and mine. What are we going to do with them?

Our problem is to use this wealth of experience in meeting the customers' desires, deciding what methods fit our particular situations, and putting them to work.

What does our customer want from our company? What are his desires in relation to the product we sell and the service we give him? The answers seem to fit into three fairly distinct classifications.

First, the customer wants good service; second, he wants a reasonable price; and third, he wants decent treatment.

Of necessity, gas and electric companies spent almost all of their energy, time, and money on good service in the early days of development. Good service was the only thing that really counted then. Without it, a gas and electric company had no valid excuse for existence. Without it, there wasn't any sense in even talking about reasonable price or decent treatment. By and large, these industries have done a fine job of bringing good service to the user.

On the subject of price, the accomplishments of these industries have been even more dramatic and impressive. Partly because of a happy combination of circumstances and partly because of intelligent and diligent effort by managers and employees, our companies are selling their products at a price which must be considered very reasonable under any fair standards. The story of the bargain we are bringing our customers is a familiar one, but let us remember always that it is a wonderful and inspiring story, one of the greatest stories of American business enterprise.

Low rates, however, do not speak for themselves. People have to be told about them. People have to know the value they are getting, before they can have any real appreciation of it. This is borne out by a survey in two midwestern towns. Rates in these two towns were identical. However, for every customer in town A

who said the rates were low, there were five customers in town B who considered the rates low.

What can be accomplished in improving customer relations through telling the customer the value of his service in terms he can understand and appreciate was demonstrated in one town where the electric company faced municipal-ownership agitation. In 1940 a public opinion survey showed that seven out of ten customers favored municipal ownership, two out of ten were opposed, and one doubtful. The company hired a group of local housewives, trained them in contact work, and sent them out to visit residential customers. They helped the customer analyze her bill, breaking it down in terms of cost per day and emphasized the many and varied uses she made of her service each day. Although they discussed appliance care, company policies, and so forth, the primary job these women did was to sell the value and low cost of service.

Public Opinion Shift

This program was put on a permanent basis. What were its results? Seven years later another public opinion survey showed a tremendous shift in sentiment in the company's favor. Where in 1940 seven out of ten customers favored municipal ownership, in 1947 only four were for it. Where only two opposed municipal ownership in 1940, between four and five opposed it in 1947. Between one and two were doubtful. The company credits this reversal in public opinion to the work of these housewives in selling the value and low cost of service.

When we come to decent treatment, which is just another way of saying customer relations, are we sure that we have so much to be proud of? We must realize that decent treatment is the key to the whole problem of our survival as industries. What good are the best of service and the most reasonable of prices to the customer if he doesn't believe he is treated decently? You can bet your bottom dollar he will forget about your good service and low price if he feels that you don't treat him right. In a very real sense, we are cancelling out the work of our engineers, rate makers, and financial men unless we treat the customer decently and have him feel he is getting decent treatment.

One of the most important economic and political facts of our lifetime, perhaps, is that all industry has become more socially conscious—in some cases probably socially self-conscious. For industry is paying more attention to people—all kinds of people—customers, employees, everybody. Because all industry is more conscious of the need for good treatment of customers, the customer himself has come to expect good treatment as his due.

He consciously or unconsciously compares the treatment we give him with the treatment he gets elsewhere. That puts us in competition with everyone else our customers do business with. How is your company doing in this competition? Is your customer relations good or bad compared with those of other businesses in your area, or, looking at it another way, is your customer relations really good or just good in comparison with these businesses?

Are your employees doing their individual customer relations job half as well as they know how? Do they have the necessary personality characteristics to do a better job, and do they know how to do a better job? What are you doing to help them do a better job? Are your employees in customer contact work chosen for their fitness for this work, or are they given these jobs as a reward for long years of employment with the company? Do your customer contact positions carry the good pay and high prestige they deserve?

One company explains its selection policy this way: "We strive to select people who are able not only to maintain good customer relations but build it. We have to set up and maintain standards, and if employees cannot meet them, we must refuse them these jobs."

Another says: "Many people believe that anyone can handle a customer and that these positions are just necessary evils. This work, of course, is handled best by employees who understand people and have a sincere desire to serve."

Screening Applicants

One specific plan provides that the personnel department and the department head screen applicants for contact work for personal appearance, attitude (particularly for racial or religious prejudice which might affect their work), and general suitability for contact work. Applicants take the Otis Self-Administering Aptitude Test and the Bernreuter Personality Test, which indicates neurotic tendency, self-sufficiency, introversion-extroversion, dominance-submission, self-confidence and sociability. Wonderlic's Interview Guide and Personnel Test are also being used in personnel selection procedure by some companies.

Employee selection is being considered especially important now because the benefits are becoming more apparent to both employees and employers of having workers continue with the company for a long period of service. Retirement plans, insurance programs, automatic pay increases are just a few of the factors responsible. The moral is that you had better be very careful about hiring an employee because you're going to have to live with him and he with you for a long, long time.

Training follows selection in importance as well as in the order of events. Is your training program up-to-date? Is it a one-shot proposition to a new employee, or is it a continuous program? Are you making full use of the many excellent visual aids available? Do you emphasize courtesy in your training program or is it confined to developing technical efficiency mostly?

Efficiency and Courtesy

"Too often," a gas man reported, "we separate efficiency and courtesy and look at them as things apart. Observation has taught that they are inseparable with customers. Courtesy without efficiency in customer language is 'He was nice, but he didn't do anything for me.'" It might be added that efficiency without courtesy is "He straightened out my trouble, but I still don't like to have anything to do with his company."

A few years ago, training in a West Coast utility was on a "hand-me-down" basis, with the older employees training the new ones, and, of course, the new employees picking up the bad traits as well as the good traits of their instructors. A comprehensive training and reference manual was then developed and put to use, and the utility is well pleased with the results. Do you have a good employee manual? Is it up-to-date? Does it reflect recent changes in policies and procedures? Are your employees informed when management changes policies? Some companies feel that such information is so important that they get it to contact-employees as quickly as possible through bulletins and group meetings.

Contact employees of one company are periodically monitored to make sure

they are complying with company standards of courtesy. This same company, like a number of others, holds monthly meetings to pass along the importance of serving customers properly. The purpose of these meetings is to provide a two-way channel of communication between employees and management. This company reports: "We have never taken a survey of public opinion in our area, primarily because we believe that proper analysis of the complaints and inquiries we receive can show what our customers think of us." The conference-type meeting encourages exchange of ideas and is rapidly replacing the lecture type.

Encouraging an employee to do a good job may sound too basic for treatment here, but how many of our companies keep records of compliments as well as complaints which customers pay employees? One company, in cases where the service rendered by the employees is beyond the routine of the job, sends a copy of the customer's commendation to the employee and to his department head and makes it part of the record in the personnel department. Letters praising employees are occasionally published in employee magazines.

The subject of service policies and procedures has come in for much study over the years. How long has it been since you re-examined your service policies? Does each individual policy and procedure work for the greatest convenience, or was it designed for the convenience of the company alone?

Bringing Business to the Customer

A Pennsylvania company's service practices are based on the philosophy of bringing the business to the customer instead of making the customer come to the company. After all, the principal business of our companies is based on this thought—bringing gas and electricity to the customer right in his own home, farm, or business.

Once this utility had 65 business offices and required all customers to come into the office to make personal, face-to-face requests for service of any nature. "Regardless of how well customers became acquainted with the managers, clerks, and others," this company says, "these requirements did not make the customers happy or enhance customer relations."

To remedy the situation, centralized billing replaced local billing, and telephone requests for new service or discontinuation of old service were honored. Company representatives visited applicants for industrial and commercial service, obtaining signed contracts where necessary. The need for these large customers to come to the offices was eliminated.

Since more than 90 per cent of the customer traffic was for payment of bills, a system of collection agencies was established in banks, drug stores, appliance stores, and other locations where people could conveniently make payments, not only from 8 a.m. to 5 p.m. five days a week, but also in the evening, as well as on Saturday and, in some cases, Sunday.

The company encouraged wide use of the telephone by customers by establishing a single number any customer, wherever located, could call and be connected with the nearest district office. Where this involves a long-distance toll, the toll charge is absorbed by the company.

The closing of branch offices has worked out very satisfactorily for this company, and the company has had no serious reaction from the customers. A study by this company shows that 95 per cent of all traffic can be handled through an outside collection agency and by means of telephone.

"We are of the opinion," a representative of the company writes, "that customer relations is furthered by making it as easy and convenient as possible for the customer to secure service without making him come into the office. The former slogan of 'make it convenient for the customer to meet you face to face' should be changed to 'make it convenient for the customer to do business with you.'"

Another utility, which, like the one just discussed, is a rural and small-town company, has "brought the company to the customer" in just the opposite way. It has been adding local or branch offices instead of closing them.

As a small community grew large enough to make use of a local office, one was established. The company feels that this gives it a new opportunity to know its customers well and puts it in a position to meet their individual needs and desires. It also has the advantage of saving the customer time and mileage in his dealings with the company. Establishment of a local office may tend to give customers a feeling of community pride and a favorable attitude toward the company for recognizing their community.

The pros and cons of branch offices, collection agencies and payment by mail, use of after-hours depositories, and related subjects have been argued for years, and the end is not in sight. Probably local conditions determine what is the best policy for a particular company. You can be sure of one thing: policies can stand frequent re-examination and analysis. They are of great importance to your customer relations.

One thing seems clear in this connection. Important personal contacts are lost when office traffic is discouraged. You make it harder for a customer to express his opinion about the company when he can pay his bill or adjust his service without face-to-face contact with company personnel. The added convenience you are bringing him may offset this loss, of course, but the loss remains. Therefore, when you lose office contacts, personal calls on customers by company employees and use of public opinion surveys take on a new importance.

"Courtesy Box"

After-hours depositories and drive-in pay stations have been popular. An interesting variation of the familiar lobby box is what one company calls a "courtesy box," which permits a motorist to pull his car in at the left-hand curb of a one-way street, extract an "all-weather" envelope provided within easy reach, place his bill and check or money in it, and drop it into the depository. In its first six months, 3,700 customers used it, paying their bills without leaving their cars or running the risk of double-parking violations. The box, installed in front of the company's main office, consists of a depository at car-window level with a catch-box located about seven feet below street level.

Some companies still require deposits from residential and commercial customers, though it is a practice which often makes for considerable customer irritation. One company which still requires deposits has established a credit card for customers moving from one district to another in the company's operating territory. This card eliminates the need for a deposit from a customer who has had service—and paid for it—in another town.

Delayed payment charges, another frequent source of customer irritation, are still widespread in our industry. If this irksome penalty must be imposed, at least the psychology of it could be turned around by calling the difference between

the net and gross bill an "early-payment bonus or discount."

The written notices your company sends its customers can help build customer relations or wreck customer relations. Have you looked at your notices lately? Do you bloody your customer's nose when he's slow in paying? Why send him a "delinquent notice" or "warning" when a "reminder" can accomplish the same purpose without implying that he is a deadbeat or a thief? Many companies have found that a friendly, carefully worded reminder produces the desired results and makes friends at the same time.

Putting Cartoon Characters to Work

If your company has a personalized cartoon character, put him to work by having him speak the message you want to get across. A well-done cartoon of a company cashier should accomplish the same purpose. Take, for example, the notices used by one of the large metropolitan companies.

One shows the cartoon character looking over his books. In the balloon over his head are the words, "Bet you don't realize how long it is since you last paid me." Again, "Just a friendly reminder that it's been some time since you last paid me. May I have your payment by .....(blank date)? Thank you." Still again, red-faced this time, the little cartoon character says, "It's embarrassing to ask—Please save me the task." In another notice, the little fellow is shown behind a cashier's cage saying, "I am waiting to say 'thank you.'"

Those notices which take the form of letters carry the same cartoon character and the same good humored approach. Here is an example:

> "Perhaps you overlooked it—Perhaps you just forgot—In any event, we are sure you won't mind our asking for payment of your account. May we have your remittance soon? Thank you."

The notice is signed, like those that follow, by the cartoon character. Here's another:

> "This is to remind you again that you owe us (blank) dollars for service at your former address. Although the amount isn't really big enough to get excited about, we'd like to get your account cleared up. Surely you intend to pay us, so won't you do it today? Thanks a lot!"

And another:

> "No doubt you've been busy—for you have apparently overlooked payment of the final bill for service supplied at your former address. Will you please return this letter with your remittance? Thank you."

Note, if you will, the casual good humor in these, with none of the self-conscious, hard-boiled contempt you find in some notices of this type. How do customers react to the notices just quoted? Here are a few customer comments that answer that question:

"I love the little guy attached—nobody could resent him, even if guilty of negligence. Smart idea!"

"Such a nice man—I must pay him at once! Congratulations! I think the 'tickler' is a wonderfully gentle and sweet reminder. Whoever conceived it deserves a raise. It's the work of a genius. Again congratulations."

"No. I haven't been busy. I've just been broke! Thanks a lot for all your kindness and patience. I mean that. You people have been swell."

"Felt certain I paid all my debts. Very sorry. Thanks for ten years of good service and fine treatment."

"I like your remarks that you put on your bills. They are not embarrassing at all. In fact, I think they are very clever."

"I must take time out to tell you how refreshing it is in these days of turmoil and sickness and general lack of understanding to have a company of your proportions still believing in 'gracious, humorous patience.' This shall do more for your company than all the efficient men it could line up."

Disadvantages of Rubber Stamp

Here are a few other observations about notices. One concerns the use of the familiar rubber stamp. Nothing could be colder, more impersonal or less friendly than the work of a rubber stamp. Let us look at the situation in one town.

The four utilities, gas, water, telephone, and electric, permit customers to pay service bills through the banks. Three of them send duplicate statements to the customers' homes and the originals to the designated banks. The fourth sends the original to the banks with no duplicates going to customers. This causes some unfavorable customer reaction for the fourth company.

Of the three which send out duplicates, two stamp the duplicates with a rubber stamp reading, "As per instructions, the original of this bill has been forwarded to your bank." These duplicates are in the form of postcards.

The remaining utility staples the duplicate bill on a sheet of paper which shows the company's cartoon figure dressed as a mailman delivering the following message: "The original of this statement will be sent to your bank for payment as you requested. Thanks for the opportunity of serving you. Please call me any time I can be of further service." The trademark signature follows. The duplicate bill is affixed to the sheet so that it does not obscure the message. Mailing is done in an envelope, giving the customer a privacy which he may desire and appreciate.

Here is a question you can answer right off the bat: Which of these four utilities is doing the best job in customer relations in dealing with customers who pay through the banks?

Use of Post Card Billing

The other observation concerns the use of post card billing. Viewed from a customer relations standpoint, a post card lacks the privacy of a printed bill, it commands less importance in the customer's mind, and it does not permit any promotional or relations-building bill enclosures. A utility bill, at best, is a cold, impersonal thing. It is even colder in the form of a post card.

Don't the customer relations advantages of a printed bill more than offset the economy of post card billing, especially with the higher postage rates in effect?

What have you done to simplify the form and wording of your service bills lately? Can the customer easily understand the various entries on his bill? One company, for example, has a special rate for electric water heating. Its bill showed two billing figures, one with the notation "general service" and the other with the notation "water heating." With this bill, it was next to impossible to explain to the customer that the figure for "water heating" covered only the off-peak portion of his water heating use, and the rest of the cost of his water heating was included in the "general use" figure. The bill is being revised to eliminate this confusion.

The same company's bill to residential customers shows a code number under the heading "Rate." What could be more natural than for the customer to assume that the figure "07" in the column marked "Rate" meant he was paying 7

cents per kilowatthour? The wording was changed to read "Rate Code" instead of "Rate," but that did not entirely remedy the situation. Now the company plans to use a code letter instead of figure.

Many of the previously mentioned considerations are only little things, but customer relations is largely the sum total of little things. Add up all these little things and you have the biggest thing in our business—the good will and favorable acceptance of our customers. Let's make sure we are farming half as well as we know how now.

The Cleveland Convention Program

(*Continued from page 102*)

noon, lobbies of Cleveland and Statler Hotels; 12 noon to 5 p.m., Cleveland Public Auditorium.

Tuesday, June 3—8:30 a.m. to 5 p.m., Cleveland Public Auditorium.

Wednesday, June 4—8:30 a.m. to 12 noon, Cleveland Public Auditorium.

Convention badges and pins will be essential for admission to the general sessions and to social functions. The badges for the men and pins for the women will be obtainable only at registration desks.

As has been the custom in the past, a daily newspaper detailing convention events will be published through the courtesy of *Electrical World*. To appear on Monday, Tuesday, and Wednesday, it will report on the general sessions and carry other news, including official notices, a calendar of events, and a roster of convention registrants.

There is every evidence that this year's convention attendance will be large. Thus, if hotel reservations have not already been obtained, it is advisable to make immediate application to L. D. Perkins, Housing Director, Cleveland Convention Bureau, 511 Terminal Tower, Cleveland, Ohio. Because the convention dates fall at the start of the summer tourist and vacation season, travel will be heavy. Representatives of railroads and airlines emphasize that delegates should act as soon as possible in making complete transportation arrangements both to and from Cleveland.

Schedule of Recreation Events

Tuesday, June 3.

12 noon—Ladies' luncheon and entertainment, Rainbow Room, Carter Hotel; Philco Corp., host.

6 p.m.—Buffet supper; Edison Electric Institute, host. Serving times and places are as follows: 6 p.m., Rainbow Room, Carter Hotel; 6:30 p.m., Grand Ballroom, Statler Hotel; 7 p.m., Ballroom, Hollenden Hotel.

8:30 p.m.—Special entertainment, presented through the courtesy of Westinghouse Electric Corp., in the Arena of the Cleveland Public Auditorium. Presentation of the Charles A. Coffin Award will take place before the program.

10:30 p.m.—Dancing at the Cleveland, Hollenden, and Statler Hotels.

Sales Conference

(*Continued from page 108*)

vision Today and Tomorrow." R. J. Miller, Assistant to the General Sales Manager of The Cleveland Electric Illuminating Co., and Chairman of the Sales Personnel and Training Committee, stated that "There's No Business Like Know Business," and J. M. Stedman, General Commercial Manager of the Pennsylvania Power & Light Co. and Chairman of the Merchandising Committee, presented the "Merchandising Committee Survey Results—Employee Purchase Plans."

The afternoon meeting was presided over by T. G. Allan, Manager of the Rural Service Department and Dealer Section of the West Penn Power Co. and Chairman of the Residential Lighting Committee, and was opened with a talk on the "New World Home" by R. L. Coe, Residential Sales Manager of the Union Electric Co. of Missouri. T. J. Newcomb, Chairman of the NEMA Major Appliance Division, presented the "NEMA Appliance Sections' Promotional Programs," and J. H. K. Shannahan, Residential Sales Supervisor for the Indiana & Michigan Electric Co., told "How We Get Volume Sales of Water Heaters." J. S. Bartlett, Commercial Manager for the Potomac Electric Power Co., spoke on "Electric League Values for Utilities," and concluding the meeting, William Wier, Vice President and Sales Manager of Miller Homes, Inc., discussed "A Dramatic Presentation of Lighting for New Homes" with co-speaker, Mrs. V. M. Victorsen, of Victorsen Home Builders.

Accounting Conference

(*Continued from page 114*)

lic Service Electric and Gas Co.; C. N. Rice, Jr., Northern States Power Co.; P. K. Read, New York State Electric & Gas Corp.; L. E. Worley, Southern Services, Inc.

With J. F. McCahon, Philadelphia Electric Co., EEI Chairman, and N. W. Wade, Memphis Light, Gas and Water Division, AGA Chairman, presiding, the Accounting Employee Relations Committee conducted a round table discussion on such current problems as the place of women in office management, the development of clerical work standards and their relationship to personnel administration, and the supervisor's responsibility in controlling absenteeism. Panel participants, in addition to the chairmen, included: J. D. Elliott, The Detroit Edison Co.; J. E. Glines, Michigan Consolidated Gas Co.; R. W. Brown, Niagara Mohawk Power Corp.; and E. R. Eberle, Public Service Electric and Gas Co.

A great deal of the success for the conference is due to the inspiring leadership of the chairmen of the respective accounting divisions, Ralph H. Smith, The Cleveland Electric Illuminating Co., EEI, and Ralph F. McGlone, The East Ohio Gas Co., AGA, and to the various standing committee chairmen and project and discussion leaders. In addition, the vice chairmen of the respective accounting divisions contributed much to the successful planning of the conference, and particularly in the case of E. L. Cassady, Indianapolis Power & Light Co., Vice Chairman of the EEI Accounting Division, who carried on so ably in the absence of R. H. Smith, who was unable to attend because of illness.

Exhibitors of accounting machines and accounting devices and equipment included:

Addressograph Multigraph Corp.
The American Perforator Co.
Burroughs Adding Machine Co.
Elliott Addressing Machine Co.
Friden Calculating Machine Co., Inc.
International Business Machines Corp.
Monroe Calculating Machine Co., Inc.
The National Cash Register Co.
Pitney-Bowes, Inc.
Remington Rand Inc.
Rol-Dex Division — Watson Manufacturing Co., Inc.
The Standard Register Co.
Wassell Organization Inc.

PERSONALS

WALTER C. BECKJORD, President of The Cincinnati Gas and Electric Co., was awarded an honorary degree of Doctor of Laws by Miami University at its mid-year commencement exercises. The degree was presented by Dr. C. W. Kreger, Vice President of Miami University, in recognition of Mr. Beckjord's service to the community as a supporter of the cultural advantages of the greater Cincinnati area and as chief executive of the city's electric company. Mr. Beckjord, who is a member of the EEI Board of Directors, was the principal speaker at the commencement ceremony.

SHERMAN R. KNAPP, Executive Vice President of The Connecticut Light and Power Co., has been elected President to succeed R. H. KNOWLTON. Mr. Knapp has also been chosen a director of the company. His predecessor, who has served as president since 1948, will assume the post of Chairman of the Board, replacing C. L. CAMPBELL.

Mr. Knapp joined the company in 1928 immediately after his graduation from Cornell University. He served as an engineer in the operating and sales departments in Waterbury and Hartford until 1937, when he was made manager of the New Milford district. Appointed assistant to the sales vice president in 1941, he was named assistant to the president in 1948, and executive vice president in 1949. A prominent figure in utility affairs, he is vice president of the New England Gas Association.

Mr. Knowlton has been with the company since 1917. An engineering graduate of Cornell University, he became assistant to the president in 1926 and was elected vice president in charge of sales and public relations in 1927. He was chosen executive vice president in 1939 and president in 1948. Mr. Knowlton has been a member of the company's board of directors since 1935. He is also a member of the board of directors of the Edison Electric Institute and past president of the New England Gas Association.

Mr. Campbell is a native of Canada who came to Connecticut in 1901. From that time, he has served continuously in the utility industry in Connecticut, except for a short period in 1911. He became secretary and treasurer of the United Electric Light and Water Co. in 1912, and when that company was merged with The Connecticut Light

MR. KNAPP

and Power Co. in 1917, he retained the same position. He was elected vice president and treasurer in 1929 and president in 1937. Chairman of the Board since 1948, he will continue to serve as a Director of the company, member of the Executive Committee, and Chairman of the Finance Committee.

CHARLES M. HAGAN, Vice President of the Atlantic City Electric Co. since 1949, has been named Executive Vice President, and CARL O. CARLSON, JOHN B. TAYLOR, and WALDO E. CAVEN have been elected Vice President of Electric Operations, Commercial Vice President, and Vice President and Chief Engineer, respectively.

A graduate of Clemson College, Mr. Hagan joined the company in 1928 as a power sales engineer and has served in varied capacities, including division manager in Salem and assistant general manager.

Mr. Carlson, an alumnus of Yale University, has been with the company since 1926 and has served as distribution engineer and superintendent of transmission and distribution.

Mr. Taylor graduated from VMI and joined the company in 1946 after many years with the Appalachian Electric Power Co., a former affiliate of Atlantic City Electric. He has served the latter company as supervisor of industrial power sales and assistant vice president.

Mr. Caven, a graduate of Carnegie Institute of Technology, began his utility career with the Indiana & Michigan Electric Co. in 1929. Transferring to Atlantic City Electric in 1932, he was promoted to system operator in 1940.

CHARLES BOLTON, Secretary-Treasurer of the Connecticut Power Co. since 1946, has been elected Vice President in addition to his present duties. Prior to joining Connecticut Power, he was on the accounting staff of the Stone and Webster Co. and had been employed as assistant chief clerk with the Tampa Electric Co. and as chief clerk of the Key West Electric Co. In 1922 he joined Connecticut Power as an accountant, later becoming assistant secretary and treasurer.

RALPH E. GALE, Assistant to the President of the Idaho Power Co., has been elected a Vice President of the company. A graduate of the University of Wisconsin and a veteran of World War I, he has been associated with Idaho Power for 27 years in engineering, sales, and administrative work. He became general sales manager in 1936 and assistant to the president in 1949. Mr. Gale is also a member of the board of directors.

RALPH H. MILLSAP, Director of Public Relations, and FRANK A. BOSCH, Assistant to the Chairman of the Board, have been elected Vice Presidents of Portland General Electric Co. THEODORE W. FRYOU, Treasurer of the company, will assume new duties as Treasurer and Controller.

Mr. Millsap was in the newspaper field prior to his affiliation with Portland General Electric in 1938 as advertising manager. Following his release from the Navy, having served as a commander in World War II, he advanced to manager of public relations and advertising in 1945 and to the post of director of public relations in 1947.

Mr. Bosch's previous experience includes service with Blyth and Co. from 1921 to 1933; as secretary-treasurer for the investment banking firm of Warrens, Bosch and Floam until 1941; and with Gunderson Brothers Equipment Corp. from 1941 to 1948. He became affiliated with Portland General Electric in 1948 as assistant to the chairman of the board.

Joining the company in 1928 as an accountant, Mr. Fryou was appointed assistant general auditor in 1939 and general auditor in 1942. In 1945 he was named controller and became treasurer in 1948.

ARTHUR S. ALBRIGHT and EVERETT E. ROLL have been named Vice President and Assistant Secretary, respectively, of The Detroit Edison Co.

Mr. Albright will continue to serve as treasurer, a position he has held since 1949. An engineering graduate of Ohio State University, he has been with Detroit Edison since 1912. During his association with the company he has worked with the meter department, headed the research department, and from 1943 to 1949 was the company's controller.

Mr. Roll joined Detroit Edison's accounting department immediately after his graduation from the University of Illinois College of Commerce in 1928. A member of the National Association of Cost Accountants, he has been active in EEI committee work, serving at present as a member of the EEI General Accounting and Application of Accounting Principles Committees.

F. GERALD IRVINE, Attorney for the Utah Power & Light Co., has been named General Counsel. He will be succeeded in his former post by CHARLES L. OVARD, Assistant Attorney and Assistant Secretary.

Mr. Irvine's wide legal background includes 13 years on the legal staff of Salt Lake City Corp., following his graduation from the University of Utah Law School in 1925. He joined Utah Power and Light in 1942 as assistant attorney and was promoted to attorney in 1949.

Mr. Ovard's association with the UP&L began in 1929 as a clerk. He advanced to assistant land agent in 1937 and assistant attorney in 1949. He holds degrees in law and business from the University of Utah.

FRANK J. RYAN, Public Relations and Advertising Assistant to the President of The Cleveland Electric Illuminating Co., has retired after 29 years with the company. His duties will be assumed by GEORGE Z. GRISWOLD, Manager of Public Relations, who will be succeeded by ROBERT H. BRIDGES, Manager of Sales Advertising.

After graduation from high school, Mr. Ryan became a reporter on the *Painesville Telegraph* and a year later joined the *Cleveland Press,* rising to managing editor. He next became associated with the Newspaper Enterprise Association as editor and in 1923 joined CEI in the capacity he held until his resignation. He has conducted the company's national and local area development campaign based on the slogan, "The Best Location in the Nation," and has just concluded two years' service as president of the Cleveland Convention and Trade Show Bureau. A leader in many health and welfare activities, he was also chairman of the administrative committee of the Great Lakes Exposition, held in Cleveland, 1936-37.

Mr. Griswold joined the company in 1948 after association with the *Cleveland Plain Dealer* and Penton Publishing Co., and Mr. Bridges, formerly part owner and sales manager of Commercial Graphics, Inc., a New York City advertising agency, has been with the company since 1940.

MORRIS DEMPSE LACK, Special Tax Counselor of the Pacific Gas and Electric Co. since 1947, has retired after a career extending over more than a half century, during which he played a pioneering role in shaping the development of California's tax system.

After youthful experience that included logging, farming, mechanical engineering study, and six years of teaching, Mr. Lack became deputy to the Shasta County sheriff and tax collector in 1902 and in 1907 was elected to the first of three terms as Shasta County assessor. In 1915 he was named executive secretary of the State Board of Equalization and in 1918 became tax counselor of the California Taxpayers Association, which position he retained until appointment as manager of PG&E's tax department in 1930.

Extensive reorganizational changes by Boston Edison Co. have resulted in the formation of two new operating groups: the Engineering and Construction Organization, under the direction of Vice President JOHN T. WARD, and the Steam and Electric Operations Organization, headed by HUGO W. H. WELLINGTON, who was recently appointed Vice President. Mr. Wellington has been assistant vice president in the engineering and operating organization since last year and has been with Boston Edison for 34 years.

Vice President THOMAS H. HAINES has been assigned to the executive staff with duties relating to both of the new organizations.

Appointments in the Steam and Electric Operations Organization are as follows: OSCAR B. BENSON, Assistant Vice President and Assistant to Mr. Wellington; H. L. R. KURTH, Assistant Vice President and Superintendent of the Production and newly established System Operating Departments, with GEORGE U. PARKS as Assistant Superintendent of the Production Department and P. T. BUTTERWORTH as Assistant Superintendent and Chief System Operator in the System Operating Department; EDWARD C. RUE, Assistant Vice President and Superintendent of the Transmission and Distribution Department, with JAMES F. ARCHIBALD and DOUGLAS F. TULLOCH as Assistant Superintendents heading the Overhead and Underground Sections, respectively. Within the Production Department, A. T. HAENDLER has been named Chief of Electrical Operations in the Electrical Section.

In the Engineering and Construction Organization, Assistant Vice President CHESTER A. CORNY will serve as Superintendent of the Engineering and Construction Department, assisted by G. A. ORROK as Assistant Superintendent. Mr. Orrok will also hold the post of head of the Construction and Mechanical Engineering Section. Other posts in the department will be held by C. A. WELLS, head of the General Station Construction Section; C. W. MCGILL, head of the Electrical System Planning and Engineering Section; C. F. AVILA, directing the Service Section; and H. C. HAMILTON, in charge of the Testing and Standards Section, with R. W. CHADBOURN assisting him.

C. P. DE JONGE, Superintendent of the Gas Department for San Diego Gas and Electric Co., has been appointed General Superintendent of the company. His new duties will include the supervision of electric production, transmission, and distribution. Mr. de Jonge became affiliated with the company in 1930 as an inspector in the gas department. He became a supervisor in 1937, distribution engineer in 1941, and superintendent of the gas department in 1944.

CONVENTIONS AND MEETINGS

1952

MAY

1-2 PEA Communications Committee, Americus Hotel, Allentown, Pa.
5-6 EEI Electrical Equipment Committee, Edgewater Beach Hotel, Chicago, Ill.
5-6 EEI Prime Movers Committee, Edgewater Beach Hotel, Chicago, Ill.
5-6 IES Regional Conference, Hotel Statler, Cleveland, Ohio
5-7 EEI Accounting Division, Advisory and Managing Committee, Hershey Hotel, Hershey, Pa.
5-7 EEI-AEIC Meter and Service Committees, Edgewater Beach Hotel, Chicago, Ill.
6-7 EEI Transmission and Distribution Committee, Edgewater Beach Hotel, Chicago, Ill.
6-7 EEI Hydraulic Power Committee, Edgewater Beach Hotel, Chicago, Ill.
6-9 NEMA 4th International Lighting Exposition and Conference, Auditorium, Cleveland, Ohio.
7 ECAP Copy Group Meeting, Minneapolis, Minn.
7 EEI Commercial Electric Cooking Conference, Sheraton Hotel, Chicago, Ill.
7 EEI Commercial Lighting Committee, Cleveland, Ohio.
7-9 Northwest Electric Light and Power Association, Engineering and Operation Section, Rainbow Hotel, Great Falls, Mont.
8-9 PEA Relay Committee Spring Meeting, Lawrence Hotel, Erie, Pa.
8-9 PUAA Annual Convention, Hotel Radisson, Minneapolis, Minn.
8-10 Controllers Institute of America, Pacific Coast Conference, St. Francis Hotel, San Francisco, Calif.
9-10 Southeastern Electric Exchange Accounting Conference, Henry Grady Hotel, Atlanta, Ga.
11-14 EEI Purchasing and Stores Committee, Roosevelt Hotel, New Orleans, La.
12-13 EEI Power Station Chemistry Subcommittee of Prime Movers Committee, Sheraton-Cadillac Hotel, Detroit, Mich.
12-14 Northwest Electric Light and Power Association, Business Development Section, Chinook Hotel, Yakima, Wash.
14 ECAP Management Group, Hotel Biltmore, New York, N. Y.
14-15 National Industrial Conference Board 36th Annual Meeting, Waldorf-Astoria Hotel, New York, N. Y.
15-16 PEA Electrical Equipment Committee, Hotel Roosevelt, Pittsburgh, Pa.
15-16 EEI Dealer Coordination Workshop, Roosevelt Hotel, Pittsburgh, Pa.
19-21 Northwest Electric Light and Power Association, Personnel Section, Vancouver Hotel, Vancouver, B. C.
21-23 IES Regional Conference, Webster Hall Hotel, Pittsburgh, Pa.
22-23 Northwest Electric Light and Power Association, Accounting and Business Practice Section, Medford Hotel, Medford, Ore.
22-23 PEA Transmission and Distribution Committee, Irem Temple Country Club, Dallas, Tex.
22-23 EEI Accident Prevention Committee, Indianapolis Athletic Club, Indianapolis, Ind.
25-27 Controllers Institute of America, Midwestern Conference, Netherland Plaza Hotel, Cincinnati, Ohio.
28 PIP Mid-Atlantic Group, Rochester, N. Y.
28-29 PEA Prime Movers Committee Spring Meeting, Tidewater Inn, Easton, Md.

JUNE

2 EEI Industrial Relations Committee, in conjunction with EEI Annual Convention, Cleveland, Ohio.
2-4 EEI 20TH ANNUAL CONVENTION, Cleveland, Ohio.

1952

JUNE

6-7 1952 Annual South Dakota All-Electric Industry Conference, Alex Johnson Hotel, Rapid City, S. D.
8-12 National Association of Electrical Distributors, 44th Annual Convention, Atlantic City, N. J.
8-12 Canadian Gas Association Annual Meeting, Chateau Frontenac, Quebec, Que.
11-13 Pacific Coast Electrical Association Annual Convention, Hotel del Coronado, Coronado, Calif.
15-19 ASME Semi-Annual Meeting, Sheraton Gibson Hotel, Cincinnati, Ohio.
16-20 ASCE, Denver Convention, Denver, Colo.
19-20 IES Regional Conference, Hotel Preston, Swampscott, Mass.
19-30 ASME Applied Mechanics Division Conference, Pennsylvania State College, State College, Pa.
22-25 Michigan Electric Light Association, Annual Convention, Mackinac Island, Mich.
23-27 AIEE Summer General Meeting, Hotel Nicollet, Minneapolis, Minn.
23-27 American Society for Testing Materials, Annual Meeting, 50th Anniversary, Hotels Statler and New Yorker, New York, N. Y.
23-27 ASME Oil and Gas Power Division Conference, Hotel Statler, Buffalo, N. Y.
30-July 2 Canadian Electrical Association Annual Convention, Banff Springs Hotel, Banff, Alba.

AUGUST

19-22 AIEE Pacific General Meeting, Phoenix, Ariz.

SEPTEMBER

3-13 American Society of Civil Engineers, Centennial Celebration, Chicago, Ill.
5-6 Maryland Utilities Association, Cavalier Hotel, Virginia Beach, Va.
7-10 Rocky Mountain Electrical League Fall Convention, Colorado Hotel, Glenwood Springs, Colo.
8-11 ASME Fall Meeting, Sheraton Hotel, Chicago, Ill.
8-12 Illuminating Engineering Society National Technical Conference, Edgewater Beach Hotel, Chicago, Ill.
15-16 EEI Accident Prevention Committee, Sheraton Hotel, Rochester, N. Y.
18-19 PIP Annual Workshop Conference, Edgewater Beach Hotel, Chicago, Ill.

OCTOBER

1-3 Wisconsin Utilities Association Convention of Technical and Sales Sections, Schroeder Hotel, Milwaukee, Wis.
5-8 Controllers Institute of America, Annual Meeting, Hotels Sheraton, Cadillac and Statler, Detroit, Mich.
6-7 EEI Prime Movers Committee, Roosevelt Hotel, St. Louis, Mo.
13-14 EEI Electrical Equipment Committee, Roosevelt Hotel, New York, N. Y.
13-17 AIEE Fall General Meeting, New Orleans, La.
23-24 EEI Transmission and Distribution Committee, Hotel Adolphus, Dallas, Tex.
27-30 AGA Annual Convention, Atlantic City, N. J.

NOVEMBER

10-13 NEMA Annual Meeting, Haddon Hall Hotel, Atlantic City, N. J.
10-13 NARUC Annual Meeting, Little Rock, Ark.
17-19 EEI Industrial Relations Committee, Annual Fall Round Table Conference, Sheraton Hotel, St. Louis, Mo.

EDISON ELECTRIC INSTITUTE OFFICERS AND COMMITTEES

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(Terms Expiring 1953)

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(*Continued*)

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